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SAN FRANCISCO
BOARD OF SUPERVISORS

ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE

Three documents were usually produced for meetings of this Committee:

- (1) a Calendar constituted the "Agenda" for the meeting;
- (2) the Budget Analyst often did an analysis of Agenda items; and
- (3) actions taken at the meeting were indicated on the Calendar, and constituted the Action Calendar, or "Minutes" of the meeting.

Note that the Agendas and the Minutes are both captioned "Calendar". They differ in that the Minutes describe the action taken on each Calendar item.

This volume includes the available Minutes of this Committee's meetings. The Agenda is included only if the Minutes are missing.

The Budget Analyst memo, if any, precedes the Minutes of a meeting. If the Minutes are not available, the Budget Analyst memo follows the Agenda for the meeting.

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS**BUDGET ANALYST**

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

January 7, 1994

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: January 11, 1994 Economic Vitality and Social Policy Committee Meeting

Item 2 - File 97-93-52

Note: This item was continued by the Economic Vitality and Social Policy Committee at its meeting of December 14, 1993.

Item: Ordinance amending the Administrative Code by amending Section 49.2 to change the amount of annual interest earned on security deposits from a simple five percent to the interest rate earned on one year Treasury Bills as of the date the lease between the landlord and the tenant is executed.

Description: According to Section 1950.5 of the California Civil Code, a security deposit is any payment, fee deposit or charge including, but not limited to any of the following: (1) compensation of a landlord for a tenant's default in the payment of rent; (2) repair of damages to the premises caused by the tenant; and (3) cleaning of the premises upon termination of the tenancy. Section 49.2 of the City's Administrative Code currently requires that a landlord who is subject to the provisions of Section 1950.5 of the California Civil Code shall pay at least five percent simple interest per year on all security deposits. The proposed ordinance would change this Administrative Code provision from "at least five percent simple interest per year" to "the interest rate earned on one year Treasury Bills as of the date the security deposit is received by the landlord".

DOCUMENTS DEPT.

SEP 26 2000

Under the proposed ordinance, the interest rate earned on one year Treasury Bills would be defined as the Treasury Constant Maturity Rate, as published weekly by the Eleventh District Federal Reserve Board.

Comments:

1. The proposed change would still apply only to security deposits held for at least one year and would still not apply where the rent is assisted or subsidized by any government unit, agency or authority. Furthermore, under the proposed ordinance, there would be no change in the requirement that upon termination of the tenancy, the tenant would be entitled to a direct payment of any unpaid accrued interest no later than two weeks after vacating the premises. There would also be no change to the provision that the landlord may retain any portion of the unpaid accrued interest subject to the limitations of Section 1950.5(e) of the California Civil Code, where the security deposit alone is insufficient to remedy tenant default in the payment of rent, to repair damages to the premises caused by the tenant, exclusive of ordinary wear and tear or to clean such premises, if necessary, upon termination of the tenancy.

2. The proposed ordinance would only apply to leases entered into after the date that the proposed legislation is adopted and would not be retroactive to existing leases.

3. According to Ms. Ilene Dick of the City Attorney's Office, the proposed legislation, which would change the interest rate paid on security deposits from a fixed five percent to a variable rate, is intended to more accurately reflect interest rates that are in effect at the time the lease is entered into between the landlord and the tenant. Under the proposed legislation, the annual Treasury Constant Maturity (TCM) rate that is in effect on the date that the lease is signed would be the basis for determining the amount of interest paid. The TCM rate is the annual rate earned by Treasury Bills that have a one-year maturity. However, it should be noted that the TCM rate changes weekly.

4. Ms. Dick notes that there are numerous interest rates that are in effect everyday, none of which necessarily reflect the commercial nature of the landlord-tenant relationship. For example, Ms. Dick cites rates earned on various Treasury Bills, interest rates banks charge preferred commercial customers (prime rates), rates charged on most savings deposits of small business and on commercial accounts (passbook rates), rates charged for borrowing money to purchase real estate (mortgage rates), etc.

5. The Budget Analyst notes that the one-year Treasury Constant Maturity rate is currently 3.55 percent. Therefore, a security deposit of \$500 for one year would earn \$25, under the existing provision of a simple five percent interest. Under the proposed legislation, based on the current 3.55 percent interest rate, a security deposit of \$500 for one year would earn \$17.75, a difference of \$7.25.

6. Ms. Dick reports that another concern is that the current ordinance provides for no City enforcement or oversight. Section 49 of the Administrative Code, which is the subject of the proposed legislation, is not part of the City's Rent Control Ordinance, which is the responsibility of the Rent Arbitration and Control Board (Rent Board). Given that the proposed rate would be variable and would likely result in numerous questions regarding its implementation, Ms. Dick notes that consideration should be given to what, if any, ongoing administrative assistance would be necessary to implement and enforce these changes. Currently, if there is a dispute between the landlord and the tenant regarding the interest earned on security deposits, it must be adjudicated in Small Claims Court.

7. According to Mr. Joe Grubb of the Rent Board, although enforcement of Section 49 of the City's Administrative Code is not the responsibility of the Rent Board, staff at the Rent Board respond to numerous questions regarding these provisions. Mr. Grubb estimates that the Rent Board currently receives an average of 365 telephone calls per month from both landlords and tenants regarding the interest owed on security deposits. Based on an average of five minutes per call, the Rent Board estimates that their staff spend an average of 30.4 hours per month responding to such inquiries.

8. If the proposed legislation is adopted, Mr. Grubb reports that unless another agency or department is specifically designated to administer or enforce these provisions, most of the inquiries will be directed to the Rent Board. According to Mr. Grubb, he conservatively estimates that the Rent Board would receive three times as many calls as they currently receive, or approximately 1,095 inquiries per month. Given the more complicated nature of the proposed legislation, Mr. Grubb estimates that each inquiry would require twice as much time to answer, or approximately ten minutes, requiring a total of 182.5 hours of staff time per month. Based on the current salary of a 2975 Counselor, the Rent Board estimates that it would cost approximately \$3,764 per month or \$45,168 annually to respond to such inquiries.

9. Mr. Grubb notes that the above time and costs could possibly be mitigated by approximately 30 percent with the use of an automated message system. Such a system would provide information and instructions for tenants and landlords for calculating the required interest earnings. Mr. Grubb estimates that such a system would cost approximately \$250 per month or \$3,000 annually. Assuming, such a system could be implemented and reduce the required staff time by 30 percent, it would result in an overall additional annual staff and equipment cost of \$34,618.

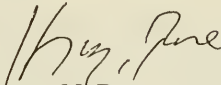
10. The office of the Sponsor of the proposed legislation indicates that an Amendment of the Whole may be introduced at the January 11, 1994 Economic Vitality and Social Policy Committee meeting. This Amendment of the Whole would require that after March 1, 1994, the rate of interest paid on security deposits would be equal to the rate of the Annual Rental Increase, as defined in Administrative Code Section 37.6 (d) and Rent Board Rules and Regulations Section 1.12, that is in effect at the time said interest is payable. If the proposed Amendment of the Whole is approved, the proposed ordinance would change the Administrative Code provision concerning security deposits from five percent simple interest per year to the amount of the rate of the Annual Rental Increase.

11. According to Mr. Grubb, the Annual Rental Increase is established as of March 1 of each year, based on 60 percent of the Consumer Price Index (CPI). Mr. Grubb reports that the current Annual Rental Increase is 1.9 percent.

12. Mr. Grubb estimates that if the proposed Amendment of the Whole is approved, it could result in three times as many calls, or 1,095 inquiries per month to the Rent Board. However, since the Annual Rental Increase and security deposit interest rates would be the same, an automated message system could be developed to answer approximately 70 to 80 percent of the additional calls. Mr. Grubb reports that the existing Rent Board staff should be able to handle the balance of the additional workload, given that he anticipates that the call volume would likely be reduced after the first year.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Memo to Economic Vitality and Social Policy Committee
January 11, 1994 Economic Vitality and Social Policy Committee Meeting


Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

CALENDAR
REGULAR MEETING
ECONOMIC VITALITY & SOCIAL POLICY C
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

PUBLIC LIBRARY (2)
DOCUMENTS DIVISION
CIVIC CENTER

Tuesday, January 11, 1994 - 2:00 p.m. Room 228, City Hall

PRESENT: Supervisors Kennedy, Kaufman, Conroy

(Supervisor Kaufman excused from voting on Item 2)

Clerk: Gail Johnson

1. File 284-93-4. Hearing to consider alleged unfair practices toward African-American trucking businesses. (Supervisor Kennedy)

(Consideration continued from 12/14/93)

ACTION: Hearing held. Filed.

2. File 97-93-52. [Interest Rates on Security Deposits] Ordinance amending Administrative Code Section 49.2 to change the amount of annual interest earned on security deposits from a simple five percent to the interest rate earned on one year treasury bills as of the date the lease is executed. (Supervisor Kennedy)

(Consideration continued from 12/14/93)

ACTION: Hearing held. Amended by replacing Section 49.2(a) with the following:

"(a) A landlord who is subject to the provisions of Section 1950.5 of the California Civil Code shall pay interest annually on all security deposits held for at least one year for his/her tenants; provided, however, that this requirement shall not apply where the rent is assisted or subsidized by any government unit, agency or authority.

"The rate of interest paid on security deposits shall be five percent through February 28, 1994. From and after March 1, 1994, the rate of interest shall be equal to the rate of the Annual Rental Increase, as defined in Administrative Code Section 37.6(d) and Rent Board Rules and Regulations Section 1.12, that is in effect at the time said interest is payable."

Continued to January 25, 1994, meeting. New title: "Amending Administrative Code Section 49.2 to change the amount of annual interest earned on security deposits from a simple five percent to the rate of the Annual Rental Increase, as defined in Administrative Code Section 37.6(d) and Rent Board Rules and Regulations Section 1.12, that is in effect at the time said interest is payable." (Supervisor Kaufman excused from voting in Committee.)

3. File 186-93-3. [Allocation of Funds for Fairs, Parades, Etc.] Hearing to consider the system used to allocate publicity and advertising funds to community groups to hold fairs, parades, etc. (Supervisor Kennedy)

ACTION: Continued to January 25, 1994, meeting (at the request of sponsor).

4. File 207-93-15. Hearing to consider police response times to the various districts in San Francisco, particularly the Taraval and Richmond districts. (Supervisor Conroy)

ACTION: Continued to the Call of the Chair (at the request of sponsor).

5. File 207-93-24. [Crimes Against the Elderly] Hearing to consider crimes committed against the elderly. (Supervisor Conroy)

ACTION: Continued to the Call of the Chair (at the request of sponsor).

6. File 274-93-3.1. [Youth, Weapons, Crime in Schools and on Muni] Hearing on youth, weapons and crime in schools and on Municipal Railway vehicles. (Supervisor Conroy)

ACTION: Hearing held. Filed.

File 274-93-3.2. Resolution, as presented by Supervisor Conroy, prepared in and reported out of Committee. Entitled: "[Policy, Juveniles in Possession of Weapons] Establishing City policy regarding juvenile possession of firearms, demanding that all violations of penal codes involving juveniles in possession of a weapon be required to be booked and detained at Juvenile Hall." Recommended.

File 274-93-3.3. Resolution, as presented by Supervisor Conroy, prepared in and reported out of Committee. Entitled: "[Juvenile Crime - Departmental Coordination] Urging the Mayor to urge the Police Department, the Municipal Railway and the Juvenile Probation Department to work cooperatively and network with the San Francisco Unified School District and private schools to inform the proper authorities of a juvenile student's involvement with crime committed in San Francisco, and urging the Mayor to urge the Police Department to report back to the Board of Supervisors in six months to determine the progress of such efforts." Recommended.

File 274-93-3.4. Resolution, as presented by Supervisor Conroy, prepared in and reported out of Committee. Entitled: "[Juvenile Weapons Tracking] Urging the Mayor to urge the San Francisco Police Department to establish a system of tracking weapons confiscated from juveniles to determine their origin, to pursue an aggressive campaign with juveniles in possession of guns to cooperate with the Police Department to determine where the youth obtained the weapon, and to establish a tracking system to follow the disposition of juvenile gun possession and gun-related cases in the Police Department and the Juvenile Justice System to determine the effectiveness of the City's response to this crisis, and to make recommendations to the Mayor and the Board of Supervisors to more effectively combat the increase of armed juveniles on our streets." Recommended.

File 274-93-3.5. Resolution, as presented by Supervisor Conroy, prepared in and reported out of Committee. Entitled: "[Juvenile Gun Possession] Urging the District Attorney to work with the San Francisco Police Department and Juvenile Probation Department to establish a program of aggressive pursuit and prosecution of juvenile gun possession and gun-related cases." Recommended.

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CALENDAR

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JAN 24 1994

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ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE BOARD OF SUPERVISORS CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, JANUARY 25, 1994, 2:00 PM

ROOM 228, CITY HALL

MEMBERS: Supervisors Willie Kennedy, Barbara Kaufman, Annemarie Conroy

CLERK: Gail Johnson

* * * * *

Disability Access

The Board of Supervisors Committee Meeting Room (228) and the Legislative Chamber of the Board are on the second floor of City Hall.



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The following services are available on request 72 hours prior to the meeting or hearing:

For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

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1. File 18-94-1. [Stop Intersection, Fillmore/O'Farrell Streets] Hearing to consider feasibility of installing a Stop sign at the intersection of Fillmore and O'Farrell Streets (next to the Safeway). (Supervisor Kennedy)

ACTION:

2. File 97-93-52. [Interest Rates on Security Deposits] Ordinance amending Administrative Code Section 49.2 to change the amount of annual interest earned on security deposits from a simple five percent to the rate determined by the Annual Rental Increase provisions, as defined in Administrative Code Section 37.3(a)(1) and Rent Board Rules and Regulations Section 1.12, in effect at the time said interest is payable. (Supervisor Kennedy)

(Continued from 1/11/94)

ACTION:

3. File 186-93-3. [Allocation of Funds for Fairs, Parades, Etc.] Hearing to consider the system used to allocate publicity and advertising funds to community groups to hold fairs, parades, etc. (Supervisor Kennedy)

(Continued from 1/11/94)

ACTION:

4. File 170-93-10. [Method of Selecting Brokerage Firms for Bond Sales] Hearing to consider the City's method of selecting brokerage firms to manage the sales of City bonds. (Supervisors Kaufman, Kennedy, Leal)

ACTION:

ECONOMIC VITALITY & SOCIAL
POLICY COMMITTEE
BOARD OF SUPERVISORS
ROOM 235, CITY HALL
SAN FRANCISCO, CA 94102

IMPORTANT
HEARING NOTICE

**BOARD OF SUPERVISORS**

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

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JAN 24 1994
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January 21, 1994

TO: *///* Economic Vitality and Social Policy Committee
FROM: *///* Budget Analyst
SUBJECT: January 25, 1994 Economic Vitality and Social Policy Committee Meeting

Item 2 - File 97-93-52

Note: This item was continued by the Economic Vitality and Social Policy Committee at its meeting of January 11, 1994.

Item: Ordinance amending the Administrative Code by amending Section 49.2 to change the amount of annual interest earned on security deposits from a simple five percent to the interest rate determined by the Annual Rental Increase provisions, as defined in Administrative Code Section 37.3(a)(1) and Rent Board Rules and Regulations Section 1.12, in effect at the time said interest is payable.

Description: According to Section 1950.5 of the California Civil Code, a security deposit is any payment, fee deposit or charge including, but not limited to any of the following: (1) compensation of a landlord for a tenant's default in the payment of rent; (2) repair of damages to the premises caused by the tenant; and (3) cleaning of the premises upon termination of the tenancy. Section 49.2 of the City's Administrative Code currently requires that a landlord who is subject to the provisions of Section 1950.5 of the California Civil Code shall pay at least five percent simple interest per year on all security deposits.

The proposed ordinance would change this Administrative Code provision from "at least five percent simple interest per

year" to five percent through February 28, 1994. Under the proposed ordinance, after March 1, 1994, the interest rate would be equal to the Annual Rental Increase, as defined by Administrative Code Section 37.3(a)(1) and Rent Board Rules and Regulations Section 1.12, that is in effect at the time the interest is payable. Administrative Code Section 37.3(a)(1) and Rent Board Rules and Regulations Section 1.12 establish the formula for annual rent increase limits. This formula limits the Annual Rental Increase to 60 percent of the Consumer Price Index for the year ending November 30.

Comments:

1. The proposed change would still apply only to security deposits held for at least one year and would still not apply where the rent is assisted or subsidized by any government unit, agency or authority. Furthermore, under the proposed ordinance, there would be no change in the requirement that upon termination of the tenancy, the tenant would be entitled to a direct payment of any unpaid accrued interest no later than two weeks after vacating the premises. There would also be no change to the provision that the landlord may retain any portion of the unpaid accrued interest subject to the limitations of Section 1950.5(e) of the California Civil Code, where the security deposit alone is insufficient to remedy tenant default in the payment of rent, to repair damages to the premises caused by the tenant, exclusive of ordinary wear and tear or to clean such premises, if necessary, upon termination of the tenancy.

2. As stated in the proposed ordinance, through February 28, 1994 the interest rate would remain at five percent. The new variable interest rate, which would be based on the Annual Rental Increase would be effective as of March 1, 1994.

3. According to Mr. Joe Grubb of the Rent Arbitration and Control Board (Rent Board), the Annual Rental Increase is established as of March 1 of each year, based on 60 percent of the Consumer Price Index (CPI). Mr. Grubb reports that the current Annual Rental Increase is 1.9 percent. The Annual Rental Increase which will be in effect from March 1, 1994 through February 28, 1995 will be 1.3 percent. Therefore if the proposed ordinance is approved, the interest rate on security deposits that would be in effect from March 1, 1994 through February 28, 1995 would also be 1.3 percent.

4. Under the current five percent interest rate, if the tenant has a \$1,000 security deposit, the landlord would owe the tenant \$50 annually. Under the proposed ordinance, based on the 1.3 percent interest rate from March 1, 1994 through

February 28, 1995, and a \$1,000 security deposit, the landlord would owe the tenant \$13 annually.

5. It should be noted that Section 49 of the Administrative Code, which is the subject of the proposed legislation, is not part of the City's Rent Control Ordinance, which is the responsibility of the Rent Board. Currently, if there is a dispute between the landlord and the tenant regarding the interest earned on security deposits, it must be adjudicated in Small Claims Court.

6. According to Mr. Grubb, although enforcement of Section 49 of the City's Administrative Code is not the responsibility of the Rent Board, staff at the Rent Board respond to numerous questions regarding these provisions. Mr. Grubb estimates that the Rent Board currently receives an average of 365 telephone calls per month from both landlords and tenants regarding the interest owed on security deposits. Based on an average of five minutes per call, the Rent Board estimates that their staff spend an average of 30.4 hours per month responding to such inquiries.

7. If the proposed legislation is adopted, Mr. Grubb reports that unless another agency or department is specifically designated to administer or enforce these provisions, most of the inquiries will be directed to the Rent Board.

8. Mr. Grubb estimates that the proposed ordinance could result in three times as many calls, or 1,095 inquiries per month to the Rent Board. However, since the Annual Rental Increase and security deposit interest rates would be the same, an automated message system could be developed to answer approximately 70 to 80 percent of the additional calls. Mr. Grubb reports that the existing Rent Board staff should be able to handle the balance of the additional workload, given that he anticipates that the call volume would likely be reduced after the first year.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

year" to five percent through February 28, 1994. Under the proposed ordinance, after March 1, 1994, the interest rate would be equal to the Annual Rental Increase, as defined by Administrative Code Section 37.3(a)(1) and Rent Board Rules and Regulations Section 1.12, that is in effect at the time the interest is payable. Administrative Code Section 37.3(a)(1) and Rent Board Rules and Regulations Section 1.12 establish the formula for annual rent increase limits. This formula limits the Annual Rental Increase to 60 percent of the Consumer Price Index for the year ending November 30.

Comments:

1. The proposed change would still apply only to security deposits held for at least one year and would still not apply where the rent is assisted or subsidized by any government unit, agency or authority. Furthermore, under the proposed ordinance, there would be no change in the requirement that upon termination of the tenancy, the tenant would be entitled to a direct payment of any unpaid accrued interest no later than two weeks after vacating the premises. There would also be no change to the provision that the landlord may retain any portion of the unpaid accrued interest subject to the limitations of Section 1950.5(e) of the California Civil Code, where the security deposit alone is insufficient to remedy tenant default in the payment of rent, to repair damages to the premises caused by the tenant, exclusive of ordinary wear and tear or to clean such premises, if necessary, upon termination of the tenancy.

2. As stated in the proposed ordinance, through February 28, 1994 the interest rate would remain at five percent. The new variable interest rate, which would be based on the Annual Rental Increase would be effective as of March 1, 1994.

3. According to Mr. Joe Grubb of the Rent Arbitration and Control Board (Rent Board), the Annual Rental Increase is established as of March 1 of each year, based on 60 percent of the Consumer Price Index (CPI). Mr. Grubb reports that the current Annual Rental Increase is 1.9 percent. The Annual Rental Increase which will be in effect from March 1, 1994 through February 28, 1995 will be 1.3 percent. Therefore if the proposed ordinance is approved, the interest rate on security deposits that would be in effect from March 1, 1994 through February 28, 1995 would also be 1.3 percent.

4. Under the current five percent interest rate, if the tenant has a \$1,000 security deposit, the landlord would owe the tenant \$50 annually. Under the proposed ordinance, based on the 1.3 percent interest rate from March 1, 1994 through

February 28, 1995, and a \$1,000 security deposit, the landlord would owe the tenant \$13 annually.

5. It should be noted that Section 49 of the Administrative Code, which is the subject of the proposed legislation, is not part of the City's Rent Control Ordinance, which is the responsibility of the Rent Board. Currently, if there is a dispute between the landlord and the tenant regarding the interest earned on security deposits, it must be adjudicated in Small Claims Court.

6. According to Mr. Grubb, although enforcement of Section 49 of the City's Administrative Code is not the responsibility of the Rent Board, staff at the Rent Board respond to numerous questions regarding these provisions. Mr. Grubb estimates that the Rent Board currently receives an average of 365 telephone calls per month from both landlords and tenants regarding the interest owed on security deposits. Based on an average of five minutes per call, the Rent Board estimates that their staff spend an average of 30.4 hours per month responding to such inquiries.

7. If the proposed legislation is adopted, Mr. Grubb reports that unless another agency or department is specifically designated to administer or enforce these provisions, most of the inquiries will be directed to the Rent Board.

8. Mr. Grubb estimates that the proposed ordinance could result in three times as many calls, or 1,095 inquiries per month to the Rent Board. However, since the Annual Rental Increase and security deposit interest rates would be the same, an automated message system could be developed to answer approximately 70 to 80 percent of the additional calls. Mr. Grubb reports that the existing Rent Board staff should be able to handle the balance of the additional workload, given that he anticipates that the call volume would likely be reduced after the first year.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 3 File 186-93-3

Note: This item was continued by the Economic Vitality and Social Policy Committee at its meeting of January 11, 1994.

1. This item is a hearing to consider the system used to allocate publicity and advertising funds to community groups to hold fairs, parades, etc.

2. Section 3.201 of the City Charter assigns responsibility to the Chief Administrative Officer (CAO) "to provide for the budgeting and control of publicity and advertising expenditures of the city and county."

3. Section 515 of Part III of the City and County Municipal Code, Revenue and Finance/Business Regulations, assigns more specific responsibility to the CAO, with the Hotel Room Tax Fund identified as the funding source for both recurring and non-recurring parades, celebrations and street fairs. Section 515 provides that 1) a total of 16.38 percent of estimated Hotel Room Tax Revenues is to be appropriated to the CAO for the purpose of funding recurring parades, celebrations, and street fairs and for cultural and promotional organizations, and 2) a total of 0.25 percent of estimated Hotel Room Tax Revenues is to be appropriated to the CAO for the purpose of funding non-recurring parades, celebrations and street fairs and unforeseen special contingencies (Unanticipated and Non-recurring Events).

4. Within the CAO's organization, Grants for the Arts administers both the recurring parades, celebrations and street fairs program and the unanticipated and non-recurring events program. Grants for the Arts has published a General Information booklet that provides information on Eligibility Guidelines, Funding Criteria, Funding Timeline, etc., for the programs that it administers. As stated in the General Information booklet, formal eligibility guidelines and funding criteria were established in 1977 by a community-based Citizens Advisory Committee¹ which makes funding recommendations to the CAO for the Grants for the Arts programs. The following table shows Eligibility Requirements, Funding Limitations, and Funding Criteria for Grants for the Arts Programs, including parades, celebrations and street fairs.

¹A ten-member committee appointed by the CAO.

Memo to Economic Vitality and Social Policy Committee
January 25, 1994, Economic Vitality and Social Policy Committee Meeting

Eligibility Requirements –
Applicants must:

Have a 501(c)(3) non-profit status.

Not be the primary responsibility of a government agency.

Be governed by a legally constituted, fiscally responsible board of directors.

Have at least a two-year history of continuous stable programming in San Francisco.

Demonstrate commitment to affirmative action in their employment practices.

Reside and produce activities in the City and County of San Francisco.

Funding Limitations –
In general, Grants for the
Arts does not fund:

Education and training activities, or performing activities of students.

Organizations whose primary purpose is to provide space, technical assistance, or support services.

Start-up money for a program not yet established.

Individual artists.

Activities not available to the public.

Activities taking place outside of San Francisco.

Funding Criteria –
Applicants should:

Attract visitors to San Francisco

Be supported by a substantial segment of the community.

Produce a high-quality event planned and publicized in advance to the general public, including visitors.

Have substantial documented audience and participation.

Demonstrate sound management by having an active advisory board or working committee that takes programmatic responsibility for the event; receiving substantial financial support for sources other than the Grants Fund; preparing and submitting a yearly financial statement.

Not have as a primary purpose fundraising or the advocacy of specific political causes or candidates.

Eligibility Requirements –
Applicants must:

Meet specific criteria within appropriate funding category.

Funding Limitations –
In general, Grants for the Arts does not fund:

Benefits or fund-raisers.

Funding Criteria –
Applicants should:

Be orderly and sensitive to public safety.

Preserve the cultural identity and/or traditional activities of the City's various populations.

Additional information concerning Funding Criteria is provided in the General Information booklet, as follows:

- Grant awards are provided primarily for general operations support, such as staff salary, publicity, or production costs;
- Grant awards are not limited to a finite number of years; a group can receive grants as long as it keeps meeting the eligibility guidelines and funding criteria;
- Grant awards provide stability, credibility, and visibility to grant recipients — large and small.

5. The decision-making process for allocating Grants for the Arts funds is shown in Attachment I to this report, which is an extract from the General Information booklet. As stated in the General Information booklet, the process is a continuous one, with applications due for the next fiscal year in February of each year. The Citizens Advisory Committee submits funding recommendations to the CAO, who reviews the recommendations and makes final determinations. Successful applicants sign a contract for the period of July 1 through June 30 of the following year.

6. In the Unanticipated and Non-recurring Events category, such events as the Diego Rivera Centennial celebration, a catalog for the permanent collections of the Fine Arts Museums, and the commemorative photography exhibit of the Shanghai Sister City Committee have been funded in recent years. As stated in the General Information booklet, funding is generally designated for subsidy of publicity costs and artist fees.

Comments

1. The FY 1993-94 funding allocation totals \$650,433 for recurring parades, celebrations, and street fairs and unanticipated and non-recurring events, as follows:

Annual Celebrations, Parades, Street Fairs (16.38 ² percent x \$61,176,000 in Hotel Tax Revenues)	\$507,500
Unanticipated and Non-recurring Events (0.25 percent x \$61,176,000 in Hotel Tax Revenues)	<u>142,933</u> ³

Attachment II to this report shows the allocation by agency, of (a) the \$507,500 designated for annual celebrations/parades and (b) the \$142,933 for non-recurring events. The information was extracted from a publication titled "General Funding Allocations," developed by Grants for the Arts.

2. A section in the General Information booklet entitled Funding Patterns provides the following information, which relates to all of the Grants for the Arts programs, including parades, celebrations and street fairs:

- The number of funded groups and activities has grown steadily from 30 in 1961-62 to 157 in 1990-91;
- In 1961-62, large organizations received approximately 73 percent of the award grant monies. By contrast, in 1990-91 approximately 60 percent of the grant awards were made to small and mid-size groups. Organizations are categorized as large, small, etc., according to the size of their annual budgets, as follows:

Large	Between \$3 million and \$35 million
Larger mid-size	Between \$600,000 and \$3 million
Smaller mid-size	Between \$250,000 and \$600,000
Small	Less than \$250,000

- Allocations to multicultural arts groups, on average, represent approximately 20 percent of those groups' budgets;
- Allocations to multicultural organizations/activities increased from \$5,000 in 1961-62 to \$1,120,800 in 1990-91.

² The 16.38 percent includes funding for promotional and cultural organizations, in addition to funding for annual celebrations, parades, and street fairs. The portion allocated to annual celebrations, parades, and street fairs is not specified and according to Ms. Kary Schulman of Grants for the Arts, depends on the applications received.

³ 0.25 percent of \$61,176,000 equals \$152,940, which is \$10,007 more than the \$142,933 budgeted for Unanticipated and Non-recurring Events. Mr. Steve Nelson of the CAO's Office reports that the \$142,933 is based on an earlier budget estimate for Hotel Tax Revenues, which was not adjusted when the final budgeted amount of \$61,176,000 for Hotel Tax Revenues was determined.

December	<ul style="list-style-type: none"> • New applicant workshops held for following fiscal year cycle. • Applications distributed to current recipients and new applicants. 		
January	<ul style="list-style-type: none"> • Applicant questions answered. 		
February	<ul style="list-style-type: none"> • Applications due for next fiscal year. 		
March	<ul style="list-style-type: none"> • Applications acknowledged and checked for completeness. • Application review by staff begins, including site visits, meetings, telephone conferences. 		
April	<ul style="list-style-type: none"> • Application review continues. • Citizens Advisory Committee meeting held for applicants to present their organizations' needs. • Advisory Committee deliberations begin. 		
May	<ul style="list-style-type: none"> • Application review continues. • Advisory Committee deliberations continue. 		
June	<ul style="list-style-type: none"> • Application review continues. • Advisory Committee deliberations continue. • Final reports distributed to current recipients. • Affirmative action reports due for organizations with 50+ employees. 		
July	<ul style="list-style-type: none"> • Affirmative action reports received and evaluated • Application review completed 		
		August	<ul style="list-style-type: none"> • Advisory Committee funding recommendations presented to CAO. • CAO reviews and finalizes funding recommendations. • Applicants notified of CAO decision on funding. • New fiscal year's contracts processed; reimbursements begin on new awards. • Final reports due from previous year's award. • Staff available to answer applicant questions regarding funding decisions. • Advisory Committee members available to meet with applicants, if necessary, to explain funding recommendations.
		September	<ul style="list-style-type: none"> • Contract processing continues. • Staff and Advisory Committee members continue to discuss allocations with applicants, if necessary.
		October	<ul style="list-style-type: none"> • Advisory Committee community meeting held for applicants to comment on process and make suggestions.
		November	<ul style="list-style-type: none"> • Advisory Committee meets to review process, recommend improvements and consider new projects.

FY 1993-94 Budget**Annual Celebrations/Parades****\$507,500**

Cherry Blossom Festival Grand Parade culminates a seven-day celebration held in Japantown every April that offers Japanese arts and cultural exhibits, performances, demonstrations, contests, foods and games.	\$24,000
Chinese New Year Parade, an annual celebration in honor of the Lunar New Year, is one of the City's largest and most colorful parades.	61,200
Columbus Day Celebration, sponsored by the City's Italian American community, caps a month-long celebration with a parade, a pageant depicting Columbus' landing and the ceremonial blessing of the fishing fleet.	40,500
El Grito Ceremony presents music and dancing by local and Mexican mariachis and folklorico companies to commemorate Mexican Independence Day.	10,500
Juneteenth Festival, an annual event celebrating African American culture, is produced by the Supporters of African American Culture and Tradition.	10,200
Lesbian/Gay Freedom Day Parade includes more than 200 bands, floats and contingents celebrating the full expression of lesbian and gay culture.	54,000
Martin Luther King, Jr., Birthday Observance, the largest such observance on the West Coast is a Northern California regional effort featuring a freedom train, parade and ceremonies at Civic Auditorium.	20,000
Memorial Day Celebration includes services at Lands End, St. Mary's Square and the National Cemetery at the Presidio.	1,300
Min-Sok Festival, an annual celebration of Korean arts and culture, is produced by the Korean Center.	6,000

Attachment II

Page 2 of 2

Mission Economic and Cultural Association (MECA) coordinates and produces the annual celebrations of Carnaval San Francisco, Cinco de Mayo, the 24th Street Cultural Festival and other community activities.	\$150,000
Moon Festival, a two-day festival celebrated in Chinatown in September, features authentic Chinese arts and crafts and Asian performance and food.	25,000
Nihonmachi Street Fair, a two-day festival in Japantown, features cultural exhibitions, performances, foods, crafts and information on social services.	15,000
Philippines Fiesta Islands Fair and Expo is a two-day celebration of Philippine heritage that also marks Philippine Independence Day.	15,000
Russian Festival, presented by the Russian Center, is a two-day event sharing the diverse Russian Culture through performances, crafts demonstrations, and food and delicacies.	4,000
St. Patrick's Day Parade, one of the City's oldest and largest parades, features Bay Area bands, drill teams and floats.	30,900
Samoa Flag Day celebrates Samoa's annexation to the U.S. with traditional sports contests and ethnic foods.	10,100
San Francisco Youth Arts Festival is a collaborative City-wide project that presents a five-day indoor/outdoor event featuring the artwork of school children, and local and visual performing arts groups in venues throughout Golden Gate Park.	20,400
Veterans Day Parade is a traditional event presented by the Disabled American Veterans, Veterans of Foreign Wars and the American Legion.	<u>9,400</u>
Total	\$507,500

FY 1993-94 Budget

Unanticipated and Non-recurring Events ²	\$142,933
Total Program: Parades, Celebrations, and Street Fairs	\$650,433

²Allocations are made to organizations for Unanticipated and Non recurring Events as they occur. Thus far is FY 1993-94, a total of \$105,875 has been allocated.

Item 4 - File 170-93-10

1. This item is a hearing to consider the City's method of selecting brokerage firms to manage the sales of City bonds.

2. According to the Human Rights Commission (HRC), the San Francisco Redevelopment Agency (SFRA) and the Chief Administrative Officer's Office (CAO), the City and the SFRA select brokerage firms through a competitive Request for Proposal (RFP) process. This process entails soliciting proposals from brokerage firms within and outside of the City. These brokerage firm selection procedures follow the City's normal contracting procedures. For example, Local Business Enterprises (LBE), Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) receive preference points. Proposals are reviewed using a point system that is based on selection criteria such as previous experience managing and selling bonds. Those firms with the highest points receive an interview. Final selection is based on the firms with the highest points for both the written proposal and the oral interview.

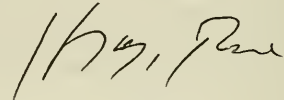
3. The SFRA, in conjunction with the CAO's Office and the HRC, recently hired six brokerage firms to manage a \$100 million bond issuance for the SFRA's Yerba Buena and Moscone Center projects. These firms will receive one percent or approximately \$1 million to manage the sale of these bonds. All six of these firms have offices in San Francisco. In addition, 40 percent of the management consulting portion of the contract has been set-aside for MBE/WBE firms. Smith-Mitchell, a City certified WBE firm, Sutter Securities, a City certified MBE firm, and Pryor McClendon, a non City certified MBE firm, were also among the six firms selected for this transaction. The CAO and the SFRA have not yet structured the bond deal and, as a result, they have not determined the amounts to be awarded each brokerage firm.

4. According to the City's MBE/WBE Ordinance, in order for the HRC to certify a MBE, WBE or LBE professional services business as economically disadvantaged, that business cannot earn more than an average of \$2 million in gross revenues annually in the three years immediately preceding its application for certification as an economically disadvantaged MBE, WBE or LBE. According to HRC, the \$2 million maximum was established to provide additional preference points to disadvantaged minority, women or local owned business. It was thought that a company that grossed more than \$2 million annually does not require preferential treatment regardless of whether it is owned locally or by a minority or woman. A MBE or WBE firm certified by the HRC as an economically disadvantaged firm receives 10 percent preference points. However, the City's MBE/WBE Ordinance affords economically disadvantaged LBE firms a five percent bid preference. Local based businesses that are not economically disadvantaged do not receive bid preferences, whether or not they are MBE or WBE firms, .

Ms. Laura Wagner-Lockwood of the CAO's Office advises that the \$2 million gross revenue limit excludes many minority, women or local-owned brokerage firms from receiving MBE/WBE/LBE preference points. According to Ms. Wagner-Lockwood, gross revenues in the brokerage business often far exceed the \$2 million

Memo to Economic Vitality and Social Policy Committee
January 25, 1994 Economic Vitality and Social Policy Committee Meeting

minimum required for MBE/WBE/LBE certification. A minority, women or local-owned brokerage firm could gross more than \$2 million annually and still be disadvantaged relative to a larger more lucrative majority owned brokerage firm, even though that minority, women or local-owned brokerage firm does not qualify for MBE/WBE/LBE certification. Ms. Wagner-Lockwood advises that increasing the gross revenue requirement for minority, women or local-owned brokerage firms would increase the number of such firms that could receive MBE/WBE/LBE preference points. Ms. Wagner-Lockwood also notes that it is her understanding that the State's Small Business Administration uses a \$4 million threshold to determine MBE/WBE/LBE preference points. Increasing the gross revenue limit for economically disadvantaged MBE, WBE or LBE brokerage firms would require an amendment to the City's MBE/WBE/LBE Ordinance.



Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

JAN 23 1994

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CIVIC CENTERC A L E N D A RREGULAR MEETING
ECONOMIC VITALITY & SOCIAL POLICY COMM
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, JANUARY 25, 1994 - 2:00 P.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS KENNEDY, KAUFMAN, CONROY

ABSENT: SUPERVISOR CONROY - ITEM 1

(SUPERVISOR KAUFMAN EXCUSED FROM VOTING ON ITEM 2)

CLERK: GAIL JOHNSON

1. File 18-94-1. [Stop Intersection, Fillmore/O'Farrell Streets] Hearing to consider feasibility of installing a Stop sign at the intersection of Fillmore and O'Farrell Streets (next to the Safeway). (Supervisor Kennedy)

ACTION: Hearing held. Title of hearing amended to read as follows: "[Bus Stop, Fillmore/O'Farrell Streets] Hearing to consider feasibility of installing a bus stop at the intersection of Fillmore and O'Farrell Streets (next to the Safeway)." New File No.: 7-94-4. Continued to February 8, 1994, meeting. (File 18-94-1 filed.)

2. File 97-93-52. [Interest Rates on Security Deposits] Ordinance amending Administrative Code Section 49.2 to change the amount of annual interest earned on security deposits from a simple five percent to the rate determined by the Annual Rental Increase provisions, as defined in Administrative Code Section 37.3(a)(1) and Rent Board Rules and Regulations Section 1.12, in effect at the time said interest is payable. (Supervisor Kennedy)

(Continued from 1/11/94)

ACTION: Hearing held. Recommended. (Supervisor Kaufman excused from voting in Committee.)

3. File 186-93-3. [Allocation of Funds for Fairs, Parades, Etc.] Hearing to consider the system used to allocate publicity and advertising funds to community groups to hold fairs, parades, etc. (Supervisor Kennedy)

(Continued from 1/11/94)

ACTION: Hearing held. Filed.

4. File 170-93-10. [Method of Selecting Brokerage Firms for Bond Sales] Hearing to consider the City's method of selecting brokerage firms to manage the sales of City bonds. (Supervisors Kaufman, Kennedy, Leal)

ACTION: Hearing held. Filed.

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198
3
CALENDAR - Action Taken

REGULAR MEETING
ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, FEBRUARY 8, 1994 - 2:00 P.M.

LEGISLATIVE CHAMBER
2ND FLOOR, CITY HALL

PRESENT: SUPERVISORS KENNEDY, KAUFMAN, CONROY

CLERK: GAIL JOHNSON

1. File 7-94-4. [Bus Stop, Fillmore/O'Farrell Streets] Hearing to consider feasibility of installing a bus stop at the intersection of Fillmore and O'Farrell Streets.
(Supervisor Kennedy)

(Consideration continued from 1/25/94)

ACTION: Hearing held. Filed.

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Mayor's Office of Children,
Youth, & Their Families



FRANK M. JORDAN
MAYOR

ANTHONY LINCOLN
DIRECTOR

DOCUMENTS DEPT.

January 31, 1993

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The Mayor's Office of Children, Youth and Their Families invites you to attend the

Board of Supervisor's hearing on the 1994-1995 Children's Services Plan (CSP)

Joint Board of Supervisors' Committees Meeting:
Economic Vitality & Social Policy and Budget

Tuesday, February 8, 1993

beginning at 2:00 p.m.

Legislative Chambers, 2nd floor City Hall

The public may give public testimony (oral or written) on the 1994-1995 Children's Services Plan that was submitted to the Board of Supervisors on December 20, 1993. Copies of the 1994-1995 Children's Services Plan are available at our office located at 10 United Nations Plaza, Suite 260, San Francisco, and will be available at the joint Board Committees hearing.

If you would like more information about the 1994-1995 Children's Services Plan, please call 554-8990.

D i s a b i l i t y A c c e s s

The Board of Supervisors Committee Meeting Room (228) and the Legislative Chamber of the Board are on the second floor of City Hall.

Both the Committee Room and the Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, 2 1/2 blocks from City Hall. Accessible MUNI line serving this location is the #42 Downtown Loop as well as the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

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For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4908.

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meeting
& Committee

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

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February 4, 1994

TO: Joint Economic Vitality & Social Policy/Budget Committee
FROM: Budget Analyst Recommendations.
SUBJECT: February 8, 1994 Joint Economic Vitality & Social Policy/Budget Committee Meeting

Item 1 - File 185-93-2

Department: Mayor's Office of Children, Youth and their Families (MOCYF)

Item: Resolution approving the Fiscal Year 1994-95 Children's Services Plan for the San Francisco Children's Fund in accordance with Charter Section 6.415.

Description: Proposition J, commonly known as the "Children's Amendment," was approved by the electorate in November, 1991. The Children's Amendment amended Section 6.415 of the Charter to require the establishment of the San Francisco Children's Fund. The San Francisco Children's Fund augments the existing level of expenditures for services and programs for children.

The Children's Amendment requires that the Mayor submit to the Board of Supervisors, by December of each year, a "Children's Services Plan" for the next fiscal year to specify the goals and objectives to be achieved through expenditures from the Children's Fund, to outline proposals for expenditures from the Children's Fund and to recommend City departments to administer the funded programs. The proposed resolution would approve the Fiscal Year 1994-95 Children's Services Plan.

The proposed FY 1994-95 Children's Services Plan identifies four areas of priority for the coming year. These four areas are:

- (1) *School Readiness*
School Readiness programs would be designed to ensure that children, particularly low-income children, are prepared to enter school with the social, mental, emotional, and intellectual skills they need. Programs in this area would be oriented toward children from birth to kindergarten age. School Readiness would receive a total of \$1,786,700.
- (2) *After School Child Care and After School Enrichment*
After School programs would be designed to ensure that young children (ages six to twelve) have access to adequately supervised care and enriched activities while their parents are at work. After School programs would receive a total of \$2,081,750.
- (3) *Youth Development/Community Service*
Youth Development/Community Service programs would be designed to prepare youth (ages ten to 17) for eventual self-sufficiency by providing them with opportunities to engage in activities that strengthen their social, cultural, cognitive, and vocational skills. Youth Development/Community Service programs would receive a total of \$3,359,250.
- (4) *Family Support Services and Intensive Family Preservation Services*
Family Support Services are timely support services to reinforce intact families. Such services include a variety of child development, education, drop-in health service, advocacy, and referrals. Priority would be given to at-risk families. Family Support Services would receive a total of \$1,401,300.

The Children's Amendment requires that for the first four fiscal years in which monies are set aside, the City must allocate at least 25 percent of the Children's Fund to each of three areas of "eligible services": 1) childcare, 2) health and social services, and 3) job readiness, training, and placement. The balance of not more than 25 percent of the Fund may be used only for libraries, recreation, delinquency prevention, and education programs for children. In the

proposed FY 1994-95 Children's Services Plan, each of these four mandated services would receive exactly 25 percent of the total funding, or \$3,187,250 (including \$2,957,250 in program costs and \$230,000 in administrative costs).

Proposed Budget: The FY 1994-95 budget for the Children's Fund, included in the proposed Children's Services Plan, are organized according to the four areas of priority identified by MOCYF: School Readiness; After School Care; Youth Development; and Family Support Services. Within these four areas, the MOCYF has specified expenditures for the four mandated funding categories under the Children's Amendment: Child Care; Health and Social Services; Job Readiness Training; and Delinquency Prevention/ Education/Libraries/Recreation. The following budget also contains \$2,800,000 for nine collaborative projects implemented by community-based organizations, in cooperation with City departments. These programs were previously approved by the Board of Supervisors in the FY 1993-94 Children's Services Plan.

In FY 1993-94, MOCYF provided a specific line-item budget (see Comment 7) in its Children's Services Plan. MOCYF was able to provide this line-item budget because all of the programs in FY 1993-94 were continuations of FY 1992-93 programs. The currently proposed FY 1994-95 Children's Services Plan does not provide this detail, because, as of the writing of this report, the contractors and specific department programs have not been determined. Contractor budgets will be established based on requests for proposal, and department programs will be established in consultation with the various departments.

The following budget for the proposed Children's Services Plan for FY 1994-95 is in conformance with the specifications of the Children's Amendment. This proposed resolution would not approve any appropriation of funds, but would only approve the proposed Children's Services Plan for FY 1994-95. Funding appropriations would be approved by the Board of Supervisors as part of the FY 1994-95 Annual Appropriation Ordinance.

Proposed
FY 1994-95
Allocation:

School Readiness

Contracts

Child Care \$1,056,250

Health and Social Services Funds 300,000

Delinquency Prevention/Education/
Libraries and Recreation Funds 175,000

In-House Services

Child Care

San Francisco Unified School District
Child Development Center 84,000

Health and Social Services

Department of Public Health
Community Health Outstation Nurses 23,100

Delinquency Prevention/Education/
Library/Recreation

San Francisco Public Library
Kidsmobile 148,350

TOTAL, SCHOOL READINESS FUNDS \$1,786,700

After School Child Care and Enrichment

Contracts

Child Care \$321,280

Health and Social Services 246,500

Job Readiness, Training, and Placement 200,000

Delinquency Prevention/Education/
Libraries and Recreation 477,120

In-House Services

Child Care

Recreation and Park Department

**BOARD OF SUPERVISORS
BUDGET ANALYST**

Memo to Economic Vitality & Social Policy/Budget Committee
February 8, 1994 Joint Economic Vitality & Social Policy/Budget Committee Meeting

Latchkey programs	\$258,720
<u>Health and Social Services</u>	
<i>Department of Public Health</i>	
Mental Health Outreach	168,000
<i>San Francisco Unified School District</i>	
Health Center	23,100
Health Start Programs	100,000
<u>Delinquency Prevention/Education/Library/Recreation</u>	
<i>San Francisco Public Library</i>	
Children 's Saturday Library hours	
Tenderloin Outreach	
Middle School Outreach Librarians	
Branch Libraries (Bayview Hunter's Point/ Youth Guidance Center)	<u>\$287,030</u>
TOTAL, AFTER SCHOOL FUNDS	\$2,081,750

Youth Development/Community Service

Contracts

<u>Health and Social Services</u>	\$125,000
<u>Job Readiness, Training, Placement</u>	1,270,820
<u>Delinquency Prevention/Education/ Libraries and Recreation</u>	1,228,750

In-House Services

<u>Health and Social Services</u>	
<i>Department of Social Services</i>	
Teen GAIN	236,250
<u>Job Readiness Training, Placement</u>	
<i>Recreation and Park Department</i>	
Workreation	67,830
<i>Private Industry Council</i>	
Mini-Step Program	256,200
<i>Department of Social Services</i>	
Foster Care Vocational Education	29,400

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Economic Vitality & Social Policy/Budget Committee
February 8, 1994 Joint Economic Vitality & Social Policy/Budget Committee Meeting

<i>Juvenile Probation Department</i>	
Neighborhood Based Prevention	\$75,000
Serious Repeat Offender Program	<u>70,000</u>

TOTAL, YOUTH DEVELOPMENT FUNDS	\$3,359,250
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**Family Support Services and Intensive Family
Prevention Services**

Contracts

<u>Health and Social Services</u>	\$829,400
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<u>Child Care</u>	120,000
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In-House Services

<u>Health and Social Services</u>	
<i>Department of Public Health</i>	
Satellite Clinics	396,900

Delinquency Prevention/Education/Libraries/Recreation

<i>Juvenile Probation Department</i>	
Parenting Program	25,000
Court Day Services Program	<u>30,000</u>

TOTAL, FAMILY SUPPORT AND PREVENTION SERVICES FUND	\$1,401,300
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Continuation Funds for 1993-94 Collaborative Programs

<u>Child Care</u>	\$1,017,000
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<u>Health and Social Services</u>	354,000
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<u>Job Training and Readiness</u>	1,033,000
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<u>Delinquency Prevention/Education/ Recreation/Libraries</u>	<u>396,000</u>
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TOTAL, CONTINUATION OF COLLABORATIVE PROGRAMS	\$2,800,000
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<u>Matching Funds</u>	\$400,000
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(MOCYF grant funds to allow community-based organizations to leverage State and Federal funds; includes \$100,000 in each mandated category)

BOARD OF SUPERVISORS
BUDGET ANALYST

<u>MOCYF Administrative Costs</u>	<u>\$920,000</u>
(approximately 7.2 percent of total Children's Fund)	

TOTAL CHILDREN'S FUND	\$12,749,000
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Comments:

1. The Children's Amendment requires that the City maintain a level of expenditure for children's services which is equal to or greater than the level of expenditure in fiscal year 1990-91 or 1991-92, whichever is greater, and sets aside a certain percentage of property tax revenues to fund additional services above and beyond the level of services funded prior to adoption of the Children's Amendment. The amount of these property tax revenues is two and one half cents per \$100 of assessed valuation for the current fiscal year and the seven subsequent fiscal years. The Children's Amendment has been in effect for two years, and will expire after a total of ten years.

2. In 1992, the Controller certified that the City's appropriations for children's services prior to adoption of the Children's Amendment totaled approximately \$50 million. This baseline amount of approximately \$50 million represents the required minimum expenditure by the City for children's services in each of the ten fiscal years. Each succeeding year the baseline amount will be adjusted annually by the percentage change in aggregate City appropriations since the base year.

3. The amount of the Children's Fund in FY 1992-93 was \$5.7 million. The Children's Fund for the current fiscal year is approximately \$12.749 million. According to Ms. Anne Jenkins of the Controller's Office, the Controller has not yet provided an estimate for the Children's Fund for FY 1994-95. Therefore, for the purpose of this Children's Services Plan, the MOCYF has conservatively estimated that the Children's Fund for FY 1994-95 will be the same as for the current fiscal year, or \$12.749 million.

4. The Children's Amendment requires a public planning process, in which public hearings are to be held by the Public Health, Juvenile Probation, Social Services, Recreation and Parks, and Public Library Commissions prior to submission of the Mayor's Children's Services Plan to the Board of Supervisors. According to the proposed plan, six such public hearings were held in November and December, 1993.

5. In Fiscal Year 1996-97, the Board of Supervisors may modify or eliminate the minimum funding requirements, noted above, for child care, health and social services, job readiness training, and delinquency prevention/education/libraries/recreation.

6. The proposed FY 1994-95 Children's Services Plan includes administrative costs of \$920,000, or 7.2 percent of the total estimated \$12.749 million Children's Fund, which is \$296 less than the current year's allocation of \$920,296. The Children's Amendment contains no language in regard to administrative costs, such as mandated maximum administrative costs. These administrative costs would support MOCYF activities, as well as administrative costs at the various departments where children's services are implemented. The MOCYF will provide budget details for these administrative costs with their FY 1994-95 Budget requests.

7. The Children's Services Plan budget for FY 1993-94, which was organized in accordance with the four mandated service categories, was as follows:

Childcare

Vouchers to Parents	\$454,764
Provider Center Subsidies	606,440
SFUSD Children's Centers	80,000
After School Care Programs	246,409
Respite Care	318,855
Day Care Technical Assistance	37,500
Community Organization/Department Collaboration	847,198
Special Projects	141,365
Matching Funds	39,228
Department Annualization	29,241
Special Needs	<u>150,279</u>
Total-Childcare	\$2,951,279

Health and Social Services

Public Health Nurse - AFDC Intake	\$22,000
Health Outreach Worker	22,000
Neighborhood Preventive Health Team	368,945
Healthy Start Matching Funds	100,000
Mental Health Centers Outreach	149,040
GAIN Teen Program	225,000
Prevention Services	592,120
Homeless Families	56,250

Memo to Economic Vitality & Social Policy/Budget Committee
February 8, 1994 Joint Economic Vitality & Social Policy/Budget Committee Meeting

Mental Health to Child Care	147,290
Child Abuse Prevention	88,767
Community Organization/Department Collaboration	294,375
Special Projects	136,690
Matching Funds	42,722
Department Annualization	44,044
Special Needs	<u>135,283</u>
Total-Health and Social Services	\$2,424,526

Job Readiness, Training, and Placement

Dropout Prevention	\$244,822
Job Readiness	897,033
Foster Children Vocational Counseling	28,000
Mayor's Youth Employment & Educ.	300,000
Workrecreation Expansion	64,590
Early Exposure - ages 12-14	130,510
Community Organization/Department Collaboration	860,163
Special Projects	142,635
Matching Funds	44,576
Department Annualization	1,260
Special Needs	<u>235,875</u>
Total-Job Readiness, Training, and Placement	\$2,949,464

Library, Recreation, Delinquency Prevention, Education

Extended Library Children's Hours	\$321,543
Off-site Library Services	75,000
Age Appropriate Reading Materials	25,000
Rec/Park Youth Services Planner	55,878
Teen Multi-Service Centers	465,659
Tutorials/Peer Support	337,418
Alternatives to Detention	197,615
Cultural Enrichment	196,700
Community Organization/Department Collaboration	329,606
Special Projects	142,535
Matching Funds	44,560
Department Annualization	18,977
Special Needs	<u>209,101</u>
Total Library, Recr., Delinquency Prev., Educ.	<u>\$2,419,592</u>

ADMINISTRATIVE COSTS

Personnel (salaries and fringe benefits)	\$607,424
Professional Services	249,772
Rent, supplies and equipment	42,300
Miscellaneous	<u>20,800</u>

BOARD OF SUPERVISORS
BUDGET ANALYST

Total Administrative Costs

\$920,296

TOTAL FY 1992-93 CHILDREN'S PLAN

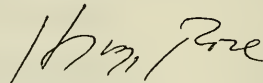
\$12,749,000

8. As previously noted, approval of the proposed resolution would not approve the appropriation of any funds, but would only approve the FY 1994-95 Children's Services Plan, in conformance with the Children's Amendment. The Board of Supervisors will approve the contracts and budget details for the Children's Fund as part of the FY 1994-95 Annual Appropriation Ordinance.

Recommendation: The Budget Analyst has no recommendation, because:

(a) the proposed FY 1994-95 Children's Services Plan is based on revenue from FY 1993-94, not on estimated FY 1994-95 revenue; and

(b) the FY 1994-95 Children's Services Plan does not contain a line item budget.



Harvey M. Rose

cc: Supervisor Kennedy	Clerk of the Board
Supervisor Hsieh	Chief Administrative Officer
Supervisor Kaufman	Controller
President Alioto	Teresa Serata
Supervisor Conroy	Robert Oakes
Supervisor Bierman	Ted Lakey
Supervisor Hallinan	
Supervisor Leal	
Supervisor Maher	
Supervisor Migden	
Supervisor Shelley	

BOARD OF SUPERVISORS
BUDGET ANALYST

10.238

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2

CALENDAR - Actions Taken

MEETING OF
JOINT ECONOMIC VITALITY & SOCIAL POLICY/BUDGET COMMITTEE
// BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, FEBRUARY 8, 1994 - 2:00 P.M.

LEGISLATIVE CHAMBER
2ND FLOOR, CITY HALL

PRESENT: SUPERVISORS KENNEDY, HSIEH, KAUFMAN
ALIOTO, CONROY, BIERMAN

CLERK: GAIL JOHNSON

1. File 185-93-2. [1994-95 Children's Services Plan] Resolution approving the 1994-95 Children's Services Plan (CSP) for Children's Fund in accordance with Charter Section 6.415. (Supervisors Kennedy, Alioto)

ACTION: Hearing held. Recommended. (Supervisor Hsieh Dissenting)

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BOARD of SUPERVISORS



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San Francisco 94102
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NOTICE OF CANCELED MEETING

ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Economic Vitality and Social Policy Committee for Tuesday, February 22, 1994, at 2:00 p.m., has been canceled.

A handwritten signature in cursive script, reading "John L. Taylor".

JOHN L. TAYLOR
Clerk of the Board

POSTED: FEBRUARY 16, 1994

ECONOMIC VITALITY & SOCIAL
POLICY COMMITTEE
BOARD OF SUPERVISORS
ROOM 235, CITY HALL
SAN FRANCISCO, CA 94102

IMPORTANT
HEARING NOTICE

11
54
BOARD of SUPERVISORS



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San Francisco 94102
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NOTICE OF CANCELED MEETING

111
ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Economic Vitality and Social Policy Committee for Tuesday, March 8, 1994, at 2:00 p.m., has been canceled.

A handwritten signature in cursive script that reads "John L. Taylor".
JOHN L. TAYLOR
Clerk of the Board

POSTED: FEBRUARY 28, 1994

ECONOMIC VITALITY & SOCIAL
POLICY COMMITTEE
BOARD OF SUPERVISORS
ROOM 235, CITY HALL
SAN FRANCISCO, CA 94102

IMPORTANT
HEARING NOTICE

Bill Lynch
Documents Section
SF Public Library-Main Branch
Civic Center
San Francisco CA

D 4524

CALENDAR

REGULAR MEETING
ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, MARCH 22, 1994 - 2:00 P.M.

LEGISLATIVE CHAMBER
2ND FLOOR, CITY HALL

PRESENT: SUPERVISORS KENNEDY, KAUFMAN, CONROY

ABSENT: SUPERVISOR CONROY - ITEM 3

SUPERVISOR KAUFMAN - FOR VOTE ON ITEM 6

CLERK: GAIL JOHNSON

1. File 107-94-1. [Foster Children - Department of Social Services] Hearing to consider a report on the Department of Social Services' failure to meet many of its goals for taking care of its 3600 foster children, despite orders from the State. (Supervisor Kennedy)

ACTION: Hearing held. Continued to the Call of the Chair.

2. File 107-89-15. Hearing to consider procedures and regulations concerning foster children, including placement of children outside of San Francisco and ramifications of Senate Bill 1177 regarding adoption of children. (Supervisors Kennedy, Alioto)

ACTION: Hearing held. Continued to the Call of the Chair.

3. File 7-94-2. [800 Megahertz Communication System] Resolution urging the Mayor to urge the Public Utilities Commission to request the Municipal Railway to opt into the new 800 megahertz communication system. (Supervisor Conroy)

ACTION: Continued to the Call of the Chair (at the request of sponsor).

4. File 188-94-2. [Lake Merced Water Levels] Hearing to consider the options regarding the water levels at Lake Merced. (Supervisors Conroy, Alioto)

ACTION: Hearing held. Continued to the Call of the Chair.

5. File 7-94-3. [Municipal Railway/Police Department] Hearing on the alleged mistreatment of Mr. Gregory Wiggins when he was arrested by the Police Department. (Supervisor Kennedy)

ACTION: Hearing held. Filed.

6. File 7-94-5. [Public Utilities Commission Hiring Practice] Hearing to consider whether part-time drivers currently employed by Municipal Railway can be given preference during recruitment for full-time employment. (Supervisor Kennedy)

ACTION: Hearing held. Continued to the Call of the Chair.

**BOARD OF SUPERVISORS**

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

April 8, 1994

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: April 12, 1994 Economic Vitality and Social Policy Committee Meeting

Items 1, 2 and 5 - Files 190-93-11.1, 190-93-11.2 and 190-93-11.6

Departments: Parking and Traffic (DPT)

Items: Hearing to consider the feasibility of lowering the present values of parking tickets from \$20 and \$25 to a range from \$5 to \$10, or adopt a warning system of three violations before a cash fine is actually given, at least in residential areas (File 190-93-11.1).

Hearing to consider whether the time permitted to park at parking meters should be at least one hour and whether \$.50 per hour should be the cost (File 190-93-11.2).

Hearing to consider whether parking tickets should not be issued for non-commercial vehicles parked in a yellow commercial zone during the time when the nearby business establishment is not open for business (File 190-93-11.6).

Description: These three items as well as items 3 and 4, Files 190-93-11.3 and 190-93-11.4 of this report are in response to an October 20, 1993 letter to the Board of Supervisors, from "Concerned Citizens of San Francisco" which made a series of requests regarding traffic flow, parking meters and parking fines.

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Fund, in accordance with Section 213 of the City's Traffic Code. Therefore, any reduction in parking citation revenues would represent a direct reduction in General Fund revenues. A reduction in parking meter revenues would result in reduced revenues to the DPT's Off-Street Parking Fund, assuming the City continues to generate more than \$8 million of annual revenues from parking meter revenues, according to Ms. Jocelyn Kane of DPT. The FY 1993-94 budget includes \$12.3 million of parking meter revenues to the City.

3. Ms. Kane states that all fines for parking violations at parking meters and during street cleaning are \$20. Citations for parking in yellow zones are \$25. Estimated FY 1993-94 revenue from parking violations total \$41 million. According to DPT estimates, reducing the amount of all parking citation fines:

- * to \$5 per citation would result in estimated reduced General Fund revenue of up to \$28.8 million annually;
- * to \$10 per citation would result in estimated reduced General Fund revenue of up to \$20.7 million annually.

4. According to Ms. Kane, the initiation of three warnings to violators before actually issuing a parking citation would be excessively cumbersome and costly for the City (File 190-93-11.1).

5. Ms. Kane states that the current hourly fee for parking meters are: \$.50 in neighborhood commercial strips; \$1.00 in parts of the downtown area; and \$1.50 in the core of downtown and in the Fishermans' Wharf area. There are 3,500 parking meters with \$1.50 per hour parking fees, 4,800 parking meters with \$1.00 per hour parking fees and 12,700 parking meters with \$.50 per hour parking fees, for a total of approximately 21,000 parking meters in the City. Estimated FY 1993-94 revenue from parking meter fees total \$13.25 million. Reduction in the amount of these fees from a range of \$.50 to \$1.50 per hour to \$.50 per hour would result in estimated reduced Off-Street Parking Fund revenues of up to \$4.6 million annually, according to DPT estimates (File 190-93-11.2).

6. The physical alteration of the parking meters to indicate new parking fees and the periods of time for parking would also be an additional expense to the City. The reconfiguration costs for all parking meters that presently allow less than one hour parking to at least one hour cannot be estimated at this time by DPT. The cost of changing all City parking meters to \$.50 per hour would cost the City approximately \$280,000, according to Ms Kane (File 190-93-11.2).

7. Ms Kane advises that the estimated FY 1993-94 revenues from violations of yellow zone regulations, in the downtown area, total \$382,000 and in the outlying areas total \$477,000, for a total of \$859,000. The DPT does not retain records on the number of yellow zone citations issued during non-business hours. Therefore, the amount of reduced revenue from issuing parking tickets for vehicles parked in yellow zones only during business hours is not known (File 190-93-11.6).

8. Ms. Kane reports that yellow zones are established to allow trucks and other commercial vehicles serving all the businesses in an area to move their vehicles from the line of traffic. Therefore, yellow zone hours are not specific to any one commercial establishment. The hours when yellow zones are set aside for commercial vehicle parking differ from area to area, based upon the hours of commercial activity in the area. According to Ms. Kane, the delivery of goods occurs during non-business hours as well as business hours. The hours of yellow zone restrictions, as indicated on signs adjacent to each yellow zone, correspond to the period of this activity for the area (File 190-93-11.6).

9. Attached is a letter from Mr. John Newlin, Director of the DPT, pertaining to the five related items on the April 12, 1994 Economic Vitality and Social Policy Committee Meeting calendar. Mr. Newlin states that in addition to an estimated loss of \$34 million in General Fund and Off-Street Parking Fund revenues, the proposed items that are being considered by the Committee would significantly increase the City's traffic congestion and decrease the available parking spaces throughout the City.

City and County of San Francisco



HANK M. JORDAN, Mayor
JOHN E. NEWLIN, Executive Director



Mr. Harvey Rose
Budget Analyst
Fox Plaza, 25th Floor
San Francisco, CA 94102

April 8, 1994

Dear Mr. Rose:

The five parking and traffic related items (File # 190-93-11.1 through 11.4 and 190-93-11.6) scheduled for the April 12th Economic Vitality and Social Policy Committee would collectively have a detrimental impact on San Francisco. Aside from a loss of over \$34 million dollars in General and Off-Street Fund revenues, the items would tremendously increase the amount of traffic congestion and decrease the amount of available parking spaces throughout the entire city.

Sincerely,

John E. Newlin
Executive Director

JEN:jk

Item 3 - File 190-93-11.3

Department: Department of Public Works

Item: Hearing to consider the feasibility of: (1) reducing the number of times that streets are cleaned each month, (2) ending arbitrary street cleaning on major streets by using manual street sweepers instead of mechanical street cleaning equipment, and (3) changing street cleaning times to 9:00 a.m. instead of 6:00 a.m. in some areas.

Description: This item is a hearing to consider two of 16 recommendations made by a group of San Francisco residents who refer to themselves as Concerned Citizens of San Francisco. The 16 recommendations, which were sent to the Board of Supervisors in October, 1993, primarily address quality-of-life issues (e.g., the shortage of street parking and the cost of parking tickets) as they pertain to current parking and traffic regulations. As such, Concerned Citizens of San Francisco has recommended (1) reductions in the number of times that streets are cleaned each month, (2) elimination of "arbitrary street cleaning on major streets where people must park if they own a car," by cleaning streets manually instead of mechanically and (3) beginning street cleaning operations at 9 a.m. instead of 6 a.m. in certain areas of the City.

Comments: 1. Regarding the proposal to reduce the frequency of street cleanings and to begin street cleanings later in the morning in certain areas, Mr. Michael Yanez of the Street Environmental Services Division of the Department of Public Works (DPW) reports that most residential streets are cleaned once per week (those streets with very high levels of traffic, like in the Mission District, are cleaned twice per week) and most streets in commercial areas are cleaned three days per week. According to Mr. Yanez, most residential street cleaning occurs after 8 a.m. (unless there is a mix of residential and commercial buildings, in which case, street cleaning may begin at 7 a.m.) and street cleaning in most business areas begins before 6 a.m.

2. Regarding the proposal to eliminate street cleaning "on major streets where people must park if they own a car," Mr. Yanez reports that the Board of Supervisors approved Ordinance No. 27-83 in 1983 to allow residents to petition to have the street blocks that they live on removed from the City's street cleaning program. In accordance with that ordinance, 45 percent of the residents on both sides of a particular block must sign a petition and present it to the Director of the Department of Public Works (DPW). A public hearing will then be held by DPW and a determination made. Mr. Yanez notes that this procedure only applies to street blocks that are in single-family and residential areas and to blocks that are not on any commercial or major arterial streets.

3. Regarding the proposal to clean streets manually rather than mechanically, according to Mr. John Roumbanis, Superintendent of the Street Environmental Services Division of the Department of Public Works (DPW), over 80 percent of the City's street cleaning is currently performed by DPW's mechanical street cleaning equipment. Mr. Roumbanis reports that the primary reason that so large a percentage of street cleaning is performed mechanically, versus manually, is cost-related. Mr. Roumbanis estimates that the average cost of mechanically cleaning one curb mile is \$39 versus \$142 for manually cleaning one curb mile. As such, Mr. Roumbanis advises that the Department of Public Works is opposed to the proposal to clean streets manually since street cleaning costs would increase by an estimated \$10.8 million per year if the City switched from mechanical street cleaning to manual street cleaning and maintained the same level of service. In addition, Mr. Roumbanis reports that mechanical cleaning does a better job than manually cleaning, not only in terms of removing visible litter but also in preventing hazardous particulates from entering the sewer system.

4. Attached is a letter from Mr. John Cribbs, Director of the Department of Public Works, pertaining to the recommendations of the Concerned Citizens of San Francisco.



April 11, 1994

Harvey Rose, Budget Analyst
San Francisco Board of Supervisors

Dear Mr. *Harvey* Rose:

This letter is in reply to your April 6, 1994 faxed request to my office regarding street cleaning recommendations f and g from Concerned Citizens of San Francisco that were submitted to the Board of Supervisors on October 20, 1993.

I will respond to the items in the order in which they were presented:

Recommendation (f): Reduce number of times street cleaning takes place per month.

Public Works' Position: Public Works acknowledges that some neighborhoods could get by with significantly less controlled parking mechanical cleaning service. In fact, less than two years ago, four major neighborhood organizations were contacted by the Department and asked to cooperate in downsizing service from a once-a-week cleaning frequency to once-a-month. These organizations let Public Works know in no uncertain terms that they had no desire whatsoever to lose cleaning services. Specifically, the neighborhoods groups contacted were in the following areas: Lakeshore, Sea Cliff, Marina and West of Twin Peaks.

While it was explained to these groups that some streets have expensive resources tracing over relatively clean streets and constituted a waste of resources, reason would not prevail and we were defeated in our efforts to reduce mechanical cleaning.

Recommendation (g): End arbitrary street cleaning on major streets where people must park if they own a car. Let individual street sweepers have these jobs. At the very least, make street cleaning times more reasonable, say 9 A.M., instead of 6 A.M. in some areas.

Public Works' Position: It is possible to revert to manual street cleaning on primary streets, but the following points need to be considered in doing so:

- * A mechanical sweeper can clean about 20 curb miles

a day, while a manual street cleaner can clean about 2 curb miles in the same period.

* The cost of mechanical cleaning costs about \$38.98 a curb mile, while manual cleaning costs about \$142.

* Controlled Parking Mechanical Cleaning because of the revenue component associated with \$20 citations issued by the Parking/Traffic Department, essentially is self supporting.

* Machines do a more complete job of removing not only visible litter but hazardous particulates that can be a health hazard. These particulates also enter the sewer system, raising the cost of wastewater treatment and disposal. "Best Management Practices" would dictate that arteries with extensive vehicular traffic be mechanically swept.

In respect to more reasonable street cleaning time schedules, we believe that the existing Resolutions promulgated by the Board of Supervisors are sufficient to make adjustments if desired by the neighborhood residents and businesses. For instance, if 45% of those residents on a given block wish to change cleaning times, Public Works will poll the group, hold a public hearing as required, and execute the change. In fact, we do this on a continuing basis and it works. Many times, Public Works will initiate additional service, and we too must observe the public hearing process as directed by the Board.

Herb
In closing, *Mr. Rose*, I believe we have provided you with the information in sufficient detail to address the recommendations of Concerned Citizens of San Francisco. Please contact me personally should your office require additional information.

Very truly yours,

John E. Cribbs
John E. Cribbs

Item 4 - File 190-93-11.4

Department: Municipal Railway (MUNI)

Item: Hearing to consider the feasibility of shortening bus zones.

Description: This item is a hearing to consider one of 16 recommendations made by a group of San Francisco residents who refer to themselves as Concerned Citizens of San Francisco. The 16 recommendations, which were sent to the Board of Supervisors in October, 1993, primarily address quality-of-life issues (e.g., the shortage of street parking and the cost of parking tickets) as they pertain to current parking and traffic regulations. As such, Concerned Citizens of San Francisco has recommended that bus zones be shortened to provide additional space for street parking and to thereby reduce the incidence and likelihood of residents being ticketed for parking their vehicles on the street.

Comments: 1. According to Mr. Duncan Watry of the Service Planning Division of MUNI, City bus zones average approximately 75 feet in length. However, this length is generally below the standards MUNI has set for the City's bus zones. MUNI's standards for bus zone lengths, which are approximately 80 to 140 feet in length, vary depending on the type and length of the bus and on the amount of service at a particular bus stop (i.e., the number of buses that may stop simultaneously at one bus stop). MUNI's standards are based on standards published by the Federal Transportation Research Board and the Institute of Transportation Engineers. As such, Mr. Watry reports that MUNI is opposed to any proposal that would shorten the length of the City's bus zones.

2. In addition, Mr. Watry reports that MUNI is actively attempting to lengthen the City's bus zones and thereby bring them into closer compliance with MUNI's own standards. For example, public hearings before the Department of Parking and Traffic have been scheduled for May 13 and May 20, 1994, to discuss the possible lengthening of bus zones along Mission Street to accommodate the new articulated trolley buses that are currently running on line 14 and are scheduled to run on lines 30 and 49, beginning this month.

3. Mr. Watry also reports that the standards that MUNI has set for the length of its bus zones are based on the need for buses to be able to completely pull into the bus zones. According to Mr. Watry, such standards accomplish several objectives, including:

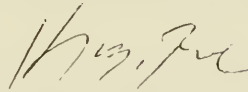
- Reducing accidents - If buses cannot pull completely into bus zones, it is far more likely that both vehicle and passenger accidents will occur, resulting in increased legal claims against the City.
- Reducing traffic congestion - If buses cannot completely pull out of the traffic pattern, and into bus zones, buses will block the traffic behind them.
- Providing disabled access to buses - Persons in wheelchairs cannot board buses unless the buses stop directly against the curb. In general, this requires that buses pull completely into bus zones.
- Improving access to buses for senior citizens - Senior citizens benefit when the height of the step needed to board buses is reduced. As in the case of persons in wheelchairs, and in order to accomplish this, buses generally must completely pull into bus zones.

4. Mr. Watry also advises that senior citizens have been very active in the effort to lengthen, and keep clear, the City's bus zones. For instance, according to Mr. Watry, the Senior Action Network was instrumental in getting the Board of Supervisors to designate all bus zones as tow-away zones if vehicles are illegally parked in bus zones (Ordinance No. 332-91) and to increase the fine for parking in bus zones from \$25 to \$100 (Ordinance No. 774-91). (According to Mr. Watry, State law has since increased the fee for illegal parking in bus zones to \$250.)

5. Mr. Watry further reports that the estimated cost of shortening all of the City's bus zones would be approximately \$375,000 based on an estimated 3,000 bus zones that would need to be repainted at an estimated cost of \$125 (labor plus materials) per bus zone.

6. Attached is a letter from Mr. Johnny Stein, General Manager of the Municipal Railway, which comments on the recommendations made by the Concerned Citizens of San Francisco.

Memo to Economic Vitality and Social Policy Committee
April 12, 1994 Economic Vitality and Social Policy Committee Meeting



Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey



SAN FRANCISCO MUNICIPAL RAILWAY 949 PRESIDIO AVENUE, SAN FRANCISCO, CALIF. 94115 415-673-6884



April 7, 1994

John L. Taylor
Clerk of the Board
City Hall
San Francisco, CA 94102

Dear Mr. Taylor:

We are strongly opposed to the proposal to shorten bus zones, which is scheduled to be heard as Item 4 at the Economic Vitality and Social Policy Committee on April 12, 1994 under File 190-93-11.4.

Muni's standards for bus zone length are based on the minimum standards recommended by the Institute of Transportation Engineers (ITE) and the Transportation Research Board (TRB). For example, ITE recommends a zone be 80-100' long for a stop on the farside of an intersection. Muni's standard is for an 80' long zone in this situation, although the majority of our stops in this case, as well as in general, are shorter than the minimum standard.

These standard lengths are intended to create a space that is long enough to pull the bus all the way into the zone, out of the lane of traffic. If a zone is too short, buses cannot pull completely into the zone and must load in the street, which creates a number of safety hazards and operational problems, both for Muni passengers and for motorists:

1. Accidents: Many riders, including seniors, have trouble boarding and alighting from a bus that is stopped in the street, and this leads to increased incidences of falling accidents while boarding and alighting, which results in increased claims as well as injuries to our riders.

In addition, if zones are too short, operators have difficulty maneuvering in and out of the stops, which leads to increased accidents because the bus must pull back into traffic at a sharper angle from a stopped position, instead of being able to merge smoothly. The city's costs are increased as a result of this, because of increased claims for accident damage.

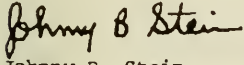
2. Senior Access: Seniors find it difficult to board or alight from a bus not at the curb. When the bus must stop in the street, seniors often find it difficult to step down from the curb and board the bus from the street, because this increases the height of the first step by 6-8 inches. Also, as noted above, falling accidents while boarding and alighting increase.
3. Wheelchair Access: Wheelchair access to buses is very difficult if the bus cannot pull into the zone, because loading must either occur in the street, or at an angle. This creates an unsafe situation when operating a wheelchair lift from a position that is not parallel and close to the curb.
4. Traffic Congestion: If buses cannot pull into the zone, the bus must either stop completely in the traffic lane, or angle the front of the bus into the stop. Either way, the bus must block a traffic lane while loading passengers. Automobiles will back up behind a stopped bus, which will create complaints from motorists.

The Americans With Disabilities Act (ADA) mandates accessible transit services for all riders, and we have been conducting an extensive campaign to have all of our operators comply with all the provisions of the ADA. A vital component of that effort is to provide the appropriate facilities for our operation, such as bus zones that are adequately sized to allow the buses to pull into the curb. There are currently pending in the courts several lawsuits against the city for failure to comply with ADA, and this proposal would make it more difficult for us to provide the full level of accessibility for all riders mandated by the ADA.

We respectfully urge the members of the Board not to approve shortening zones, and to reaffirm the city's commitment to making transit services accessible to all riders by providing bus zones that are sized to the Muni standard.

If you have any questions or comments, please call me at 923-6212; Kathy Gilbert, Muni's Deputy General for Transportation at 923-6252; or Peter Straus, Muni's Director of Service Planning at 923-6100.

Sincerely,



Johnny B. Stein
General Manager

cc: Hon. Willie Kennedy, Supervisor
Hon. Barbara Kaufman, Supervisor
Hon. Annemarie Conroy, Supervisor
Harvey Rose, Board of Supervisors Budget Analyst
Paul Imperiale, Mayor's Disability Access Coordinator
Anson B. Moran, GM-PUC
Joe Barnes, President, TWU Local 250-A
John Newlin, Director, DPT
Bond Yee, City Traffic Engineer
Richard Skaff, DPW Access Coordinator

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APR 15 1994

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REGULAR MEETING
ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, APRIL 12, 1994 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS KENNEDY, KAUFMAN, CONROY

CLERK: GAIL JOHNSON

1. File 190-93-11.1. [Parking Tickets] Hearing to consider the feasibility of lowering the values of parking tickets to between five (\$5) and ten (\$10) dollars or adopt a warning system of three violations before a dollar fine is actually given. (Supervisor Kennedy)

ACTION: Hearing held. Filed.
2. File 190-93-11.2. [Parking Meter Duration] Hearing to consider whether parking meter duration should be at least an hour and whether twenty-five cents (25¢) should be the cost for 30 minutes. (Supervisor Kennedy)

ACTION: Hearing held. Filed.
3. File 190-93-11.3. [Street Cleaning] Hearing to consider feasibility of ending arbitrary street cleaning on major streets, let individual street sweepers do the job and changing street cleaning times to 9:00 a.m. instead of 6:00 a.m. in some areas. (Supervisor Kennedy)

ACTION: Hearing held. Filed.
4. File 190-93-11.4. [Bus Zone Size] Hearing to consider feasibility of shortening the bus zones. (Supervisor Kennedy)

ACTION: Hearing held. Filed.
5. File 190-93-11.6. [Yellow Commercial Zone Ticket Procedure] Hearing to consider whether parking tickets should not be issued for cars parked in a yellow commercial zone when the business establishment is not yet opened for business. (Supervisor Kennedy)

ACTION: Hearing held. Filed.

238
94
CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

April 22, 1994

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APR 26 1994

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TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst *Recommendations*

SUBJECT: April 26, 1994 Economic Vitality and Social Policy Committee Meeting

Item 1 - File 97-93-52

Note: This item was referred to the full Board of Supervisors by the January 25, 1994 Economic Vitality and Social Policy Committee. On January 31, 1994, the Board of Supervisors rereferred this item back to the Economic Vitality and Social Policy Committee. On April 4, 1994, a substitute ordinance was introduced. The following report reflects this substitute ordinance.

Item: Ordinance amending San Francisco's Administrative Code by amending Section 49.2 to change the amount of annual interest earned on security deposits from a simple five percent to the interest rate earned by regular passbook accounts paid by the Bank of America in effect at the time said interest is payable.

Description: According to Section 1950.5 of the California Civil Code, a security deposit is any payment, fee deposit or charge including, but not limited to any of the following: (1) compensation of a landlord for a tenant's default in the payment of rent; (2) repair of damages to the premises caused by the tenant; and (3) cleaning of the premises upon termination of the tenancy. Section 49.2 of the City's Administrative Code currently requires that a landlord who is subject to the provisions of Section 1950.5 of the California Civil Code shall pay at least five percent simple interest per year on all security deposits.

The proposed ordinance would change this Administrative Code provision from "at least five percent simple interest per year" to the rate of interest paid by the Bank of America on regular passbook savings accounts in effect on the date that the interest is payable.

Comments:

1. The proposed change would still apply only to security deposits held for at least one year and would still not apply where the rent is assisted or subsidized by any government unit, agency or authority. Furthermore, under the proposed ordinance, there would be no change in the requirement that upon termination of the tenancy, the tenant would be entitled to a direct payment of any unpaid accrued interest no later than two weeks after vacating the premises. There would also be no change to the provision that the landlord may retain any portion of the unpaid accrued interest subject to the limitations of Section 1950.5(e) of the California Civil Code, where the security deposit alone is insufficient to remedy tenant default in the payment of rent, to repair damages to the premises caused by the tenant, exclusive of ordinary wear and tear or to clean such premises, if necessary, upon termination of the tenancy.

2. The current Bank of America regular passbook account rate is two percent.

3. Under the current five percent interest rate, if the tenant has a \$1,000 security deposit, the landlord would owe the tenant \$50 annually. Under the proposed ordinance, based on the current two percent interest rate for a regular passbook account at the Bank of America and a \$1,000 security deposit, the landlord would owe the tenant \$20 annually.

4. According to Mr. Joe Grubb of the Rent Arbitration and Control Board (Rent Board), although the legislation states that interest is paid annually, many landlords actually pay the accrued interest when the tenant vacates the apartment, based on the amount of the initial security deposit and the number of years the tenant resided in the apartment. Mr. Grubb reports that the proposed legislation, which is based on a variable rate, which changes daily, would be difficult to determine for both landlords and tenants without requesting such information directly from the Bank of America. This would be particularly difficult, especially if the tenant lived in the apartment for more than a year.

5. According to Ms. Ilene Dick of the City Attorney's Office, under the proposed legislation, the burden would be on both the landlord and the tenant to verify such interest rates with

Memo to Economic Vitality and Social Policy Committee
April 26, 1994 Economic Vitality and Social Policy Committee Meeting

the Bank of America. Ms. Dick reports that an easier and more verifiable method of establishing an interest rate would be to fix the date, such as the first business day of the calendar year, to enable one interest rate to be used for the entire year. However, Ms. Dick cautions that since the rate would be set only once a year, this would not reflect the actual interest rate that landlords would realize from the security deposits.

6. It should be noted that Section 49 of the Administrative Code, which is the subject of the proposed legislation, is not part of the City's Rent Control Ordinance, which is the responsibility of the Rent Board. Currently, if there is a dispute between the landlord and the tenant regarding the interest earned on security deposits, it must be adjudicated in Small Claims Court.

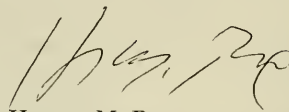
7. According to Mr. Grubb, although enforcement of Section 49 of the City's Administrative Code is not the responsibility of the Rent Board, staff at the Rent Board respond to numerous questions regarding these provisions. Mr. Grubb estimates that the Rent Board currently receives an average of 365 telephone calls per month from both landlords and tenants regarding the interest owed on security deposits. Based on an average of five minutes per call, the Rent Board estimates that their staff spend an average of 30.4 hours per month responding to such inquiries.

8. If the proposed legislation is adopted, Mr. Grubb reports that unless another agency or department is specifically designated to administer or enforce these provisions, most of the inquiries will be directed to the Rent Board.

9. Mr. Grubb advises that, under the proposed legislation, the Rent Board staff would not be able to assist the various landlords and tenants that inquired regarding the interest payments because the Rent Board would not be able to keep track of the Bank of America's passbook interest rates, which change everyday. Therefore, Mr. Grubb cannot estimate the number of additional inquiries or the amount of time that the Rent Board staff might be requested to answer questions from landlords and tenants concerning this issue.

Memo to Economic Vitality and Social Policy Committee
April 26, 1994 Economic Vitality and Social Policy Committee Meeting

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

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APR 28 1994

SAN FRANCISCO
PUBLIC LIBRARY

CALENDAR

Action Taken

REGULAR MEETING
ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, APRIL 26, 1994 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS KENNEDY, KAUFMAN, CONROY

(SUPERVISOR KAUFMAN EXCUSED FROM VOTING ON ITEM 1)

CLERK: GAIL JOHNSON

1. File 97-93-52. [Interest Rates on Security Deposits] Ordinance amending Administrative Code by amending Section 49.2 to change the amount of annual interest earned on security deposits from a simple 5 percent to the rate earned by regular passbook accounts paid by the Bank of America in effect at the time said interest is payable. (Supervisor Kennedy)

(Supervisor Kaufman excused from voting.)

ACTION: Hearing held. Recommended. (Supervisor Kaufman excused from voting in Committee.)

2. File 245-94-1. Hearing to consider federal and state monies awarded to the City for the purpose of job training and economic development. (Supervisor Kennedy)

ACTION: Hearing held. Filed.

3. File 245-94-2. [Job Training] Resolution requesting the Mayor to request the Private Industry Council (PIC), the Mayor's Office of Community Development and the Mayor's Office of Housing to use job training monies to establish a job training program in Bayview-Hunters Point, OMI and Visitacion Valley; requesting PIC to use money that the City allocates to PIC for job training in the Bayview-Hunters Point community; requesting the Mayor to memorialize members of Congress to introduce legislation that would require all contracts let to clean up Bayview-Hunters Point Shipyard and the surrounding area to hire workers from the Bayview-Hunters Point, OMI and Visitacion Valley communities and that all subcontracts be awarded to minorities and that contractors establish an apprenticeship program using persons from the 94124 zip code area. (Supervisors Kennedy, Alioto)

ACTION: Hearing held. Amendment of the Whole, as presented by Supervisor Kennedy, adopted. Recommended as amended. (See new title below.)

New title: "[Job Training - Bayview Hunters Point/OMI/Visitacion Valley] Resolution requesting the Mayor to request the Private Industry Council (PIC), the Mayor's Office of Community Development (MOCD) and the Mayor's Office of Housing, who receive money for job training of displaced workers, unemployed workers, etc., to use the job training monies to establish a job training program in the Bayview Hunters Point, OMI and Visitacion Valley communities; requesting the Mayor to request PIC to use the money that the City and County of San Francisco allocates to PIC for job training in the Bayview Hunters Point Community; requesting the Mayor to memorialize Congresswoman Nancy Pelosi, Congressman Tom Lantos, Senators Dianne Feinstein and Barbara Boxer to introduce legislation that would require all contracts let to clean-up Bayview Hunters Point Shipyard and the surrounding area to hire workers from the Bayview Hunters Point, OMI and Visitacion Valley communities and that all sub-contracts be awarded to minorities and that contractors establish an apprenticeship program using persons from the Bayview Hunters Point, OMI and Visitacion Valley communities."

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CALENDAR

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MAY 5 1994

SAN FRANCISCO
PUBLIC LIBRARY

ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE

BOARD OF SUPERVISORS

CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

TUESDAY, MAY 10, 1994, 2:00 P.M.

LEGISLATIVE CHAMBER
2ND FLOOR, CITY HALL

MEMBERS: Supervisors Willie Kennedy, Barbara Kaufman, Annemarie Conroy

CLERK: Gail Johnson

* * * * *

Disability Access

The Board of Supervisors Committee Meeting Room (228) and the Legislative Chamber of the Board are on the second floor of City Hall.



Both the Committee Room and the Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, 2 1/2 blocks from City Hall. Accessible MUNI line serving this location is the #42 Downtown Loop as well as the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of City Hall adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 235 staff.

The following services are available on request 72 hours prior to the meeting or hearing:

For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

1. File 207-94-1. [Private Patrol Agencies, Police Department] Hearing to consider the use of Private Patrol Agencies, who are P.O.S.T. Certified through the San Francisco Police Academy, in high crime and drug infested neighborhoods. (Supervisor Kennedy)

ACTION:

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CITY AND COUNTY



Public Library, Documents Dept.
OF SAN FRANCISCO
FILED: Jane Judson

DOCUMENTS DEPT.

MAY 10 1994

SAN FRANCISCO
PUBLIC LIBRARY

94
BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

May 6, 1994

TO: Economic Vitality and Social Policy Committee
FROM: Budget Analyst
SUBJECT: May 10, 1994 Economic Vitality and Social Policy Committee Meeting

Item 1 - File 207-94-1

Item: The proposed item is a hearing to consider the use of privately-owned security companies to patrol high crime and drug infested neighborhoods.

Description: In accordance with the California State Penal Code, all security guards and police officers are required to complete the State-funded POST (Peace Officer Standard of Training) 832 Penal Code training course, which is offered by the San Francisco Police Academy. The POST training course consists of approximately 50 hours of instruction on the use of force and the power of arrest.

Patrol Special Officers, who are also required to complete the foregoing POST training, are independent contractors appointed by the San Francisco Police Commission and assigned to patrol specific territories or beats throughout the City, pursuant to San Francisco Charter Section 3.536. The Patrol Special Officers, who have been in existence since prior to 1943, have the authority to contract out their security services to businesses or individuals located within their assigned beats. Once appointed to a beat, the Patrol Special Officer is considered to be the "owner" of the beat and can sell his or her rights to patrol that beat to another

individual, who then must be designated as the new Patrol Special Officer by the Police Commission. Patrol Special Officers must meet the following criteria prior to their appointment by the Police Commission:

- Apply to the Supervising Captain and receive approval of the Commanding Officer in the district(s) involved;
- Undergo examination and receive certification from the Police Surgeon;
- Be between 21 and 40 years old;
- Graduate from approved San Francisco Police Academy training course; and
- Receive the approval of the Police Commission.

There are currently approximately 25 Patrol Special Officers in the City. The Patrol Special Officer Association is an organization representing Patrol Special Officers. Patrol Special Officers are armed and uniformed, carry identification, and have the power to make arrests. In addition, the conduct of Patrol Special Officers is regulated by the Police Commission.

As with Patrol Special Officers, security guards hired by privately-owned security companies must also complete the aforementioned POST training course, as a minimum requirement. While privately-owned security companies also provide their clients with uniformed, armed or unarmed security guards, these security guards do not have the authority to make arrests and do not have the same access to the SFPD that Patrol Special Officers have. However, the services of security guards are significantly less expensive than the services of the Patrol Special Officers. According to a survey of three private security companies, the average hourly rate of a security guard ranges from \$12 to \$15 per hour, whereas the average hourly rate of a Patrol Special Officer ranges from \$16 to \$30 per hour.

There is currently a dispute between the Patrol Special Officer Association and the private security companies concerning whether Patrol Special Officers have the exclusive right to patrol City streets (See Comments below).

Memo to Economic Vitality and Social Policy Committee
May 10, 1994 Economic Vitality and Social Policy Committee

Comments:

1. Sergeant Michael Griffin of the Police Department advises that, in accordance with Section 1750 of the City's Municipal Police Code, security guards do not have the authority to patrol public property, but that individuals or businesses seeking security services for public streets must contract with the Patrol Special Officers assigned to the beat in which they are located.

2. The City Attorney's Office advises that the Patrol Special Officers Association recently filed a lawsuit regarding the Patrol Special Officers' rights to exclusively patrol their beats. This lawsuit is currently under litigation and, as of the writing of this report, there has been no final judgment made regarding this lawsuit.

3. According to Mr. William Fobbes of the Private Protection Agency, a privately-owned security firm, the State Business and Professional Code, Chapter 11.5, Section 7521, provides that private security companies have the authority to patrol public streets. Thus, Mr. Fobbes advises that the Patrol Special Officers Association does not have the exclusive right to patrol the City's streets, and that other private security companies are entitled to contract with clients located in beats assigned to Patrol Special Officers.


for Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

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CALENDAR - Actions taken

MAY 13 1994

MEETING OF
JOINT ECONOMIC VITALITY & SOCIAL POLICY/
HOUSING AND LAND USE COMMITTEE
- BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY, MAY 10, 1994 - 2:30 P.M.

LEGISLATIVE CHAMBER
2ND FLOOR, CITY HALL

PRESENT: SUPERVISORS KENNEDY, BIERMAN, KAUFMAN
MAHER, CONROY, SHELLEY

CLERK: GAIL JOHNSON

1. File 115-93-2.3. [Final Negative Declaration] Resolution adopting Final Negative Declaration, finding and determining that the amendment of Planning Code Section 719.25 to allow drive-up facilities at certain fast food establishments as a conditional use in the Haight Street Neighborhood Commercial District, will have no significant impact on the environment, and adopting and incorporating findings of the Final Negative Declaration. (Department of City Planning)

ACTION: Hearing held. To Board with recommendation "Do Not Pass".
(Supervisors Kennedy and Maher Dissenting)

2. File 115-93-2. [Drive-up Facility] Ordinance amending City Planning Code Section 719.25 to amend the Haight Street Neighborhood Commercial District Zoning Control Table and to add text to the end of Table to allow for drive-up facilities as a conditional use; adopting findings pursuant to City Planning Code Section 101.1. (Supervisors Hsieh, Kennedy)

ACTION: Hearing held. To Board with recommendation "Do Not Pass".
(Supervisors Kennedy and Maher Dissenting)

C A L E N D A R

REGULAR MEETING
ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, MAY 10, 1994 - 2:00 P.M.

LEGISLATIVE CHAMBER
2ND FLOOR, CITY HALL

PRESENT: SUPERVISORS KENNEDY, KAUFMAN, CONROY

CLERK: GAIL JOHNSON

1. File 207-94-1. [Private Patrol Agencies, Police Department] Hearing to consider the use of Private Patrol Agencies, who are P.O.S.T. Certified through the San Francisco Police Academy, in high crime and drug infested neighborhoods.
(Supervisor Kennedy)

ACTION: Hearing held. Filed.

CITY AND COUNTY



OF SAN FRANCISCO

DOCUMENTS DEPT.

BOARD OF SUPERVISORS

MAY 24 1994

BUDGET ANALYST

SAN FRANCISCO
PUBLIC LIBRARY

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

May 20, 1994

TO: Economic Vitality and Social Policy Committee
FROM: Budget Analyst
SUBJECT: May 24, 1994 Economic Vitality and Social Policy Committee Meeting

Item 1 - File 112-94-2

Item: This proposed Item is a hearing to consider if and how the City, its residents, its government agencies and its businesses are being hurt by the San Francisco Examiner through its joint operating agreement with the San Francisco Newspaper Agency and the Chronicle.

Description: Mr. Claude Everhart of the San Francisco Newspaper Agency advises that the joint operating agreement between the San Francisco Examiner, the San Francisco Chronicle and the San Francisco Newspaper Agency was entered into in 1965, in order to ensure an economic basis for the continued operation of both newspapers. Mr. Everhart advises that this agreement, along with similar agreements between newspapers in five other cities (Honolulu, Detroit, Tulsa, Seattle, and York), is exempt from Federal Anti-Trust laws by the Federal Newspaper Preservation Act. According to Mr. Everhart, the primary purpose of this Act is to preserve competing editorial voices in cities. Mr. Everhart reports that, under this agreement, the Examiner and the Chronicle each provide their own separate editorial staffs for their respective newspapers, and the San Francisco Newspaper Agency is responsible for the production and business operations of the two newspapers (i.e., printing, delivery, subscriptions and advertising).

Memo to Economic Vitality & Social Policy Committee
May 24, 1994 Economic Vitality & Social Policy Committee Meeting

Comment:

Attached is a letter prepared by Mr. William Hearst, III, Editor and Publisher of the San Francisco Examiner and Mr. James Hale, President and Chief Executive Officer (CEO) of the San Francisco Newspaper Agency. This eight-page letter provides a response to seven accusations contained in an unsigned April 25, 1994 letter to the Sponsor of the proposed hearing.

San Francisco Examiner
MONARCH OF THE DAILIES

May 20, 1994

BY FAX AND MAIL

Honorable Willie B. Kennedy
San Francisco Board of Supervisors
City Hall, Room 235
San Francisco, CA 94102

Dear Supervisor Kennedy:

Thank you for the opportunity to respond in writing to the unsigned letter addressed to you dated April 25, 1994. The Examiner and the Newspaper Agency believe that a number of misrepresentations have been circulated to board members, and we are pleased to have a chance to record our response. In an effort to deal with each point in order, our answers will follow the list of accusations in the April 25th letter, specifically:

False accusation #1

The Examiner red-lines many African American neighborhoods. They refuse to deliver their newspaper even if people who live in these neighborhoods want to pay full regular price for a subscription.

The Examiner continues this illegal discriminatory policy even though they have been designated as an "Official Newspaper" of San Francisco. Their deeds shame all of our citizens. We must have hearings to discuss what sanctions the City can place on the Examiner for their blatant acts of racial bias.

Our response:

The Examiner does not red-line in any neighborhoods. This is an extremely damaging and false accusation. The Examiner is distributed to every neighborhood in San Francisco. Our form of distribution does vary in different parts of the City.

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May 20, 1994
Supervisor Kennedy

In every district, the Newspaper Agency uses union employees to maintain newsstand distribution -- down to the news rack, vendor and local merchant's location. Home delivery subscriptions are not served by employees. Drivers deliver bundles only to the street corner where an independent carrier breaks down the bundle and delivers the paper to the customer doorstep. All carriers are compensated on a per piece basis without discrimination of any kind.

In a very small number of communities, the Newspaper Agency has experienced problems in recruiting carriers to complete the final step of home delivery distribution. In all cases, the difficulty has been connected with valid business concerns. It has been very problematic to retain carriers in areas and the Newspaper Agency continues to make every effort to find new substitute carriers. (Included in these areas are sections of 6th Street and the Broadway nude club strip.) Recently we have been working with the neighborhood organizations such as the Bay Area Urban League, the Youth Community Developers and the Ella Hill Hutch Center to enlist their help in the recruiting of carriers in underserved areas.

These newsstand-only areas exist because of market conditions and have nothing whatsoever to do with ethnicity of these neighborhoods. No records are kept by the Examiner to indicate the ethnic status of any of our subscribers. In fact, we do not know the ethnicity of subscribers on an individual name basis.

As you perhaps realize, other local newspapers have large block areas where they support neither home delivery, nor newsstand distribution. Presumably, those no-delivery zones are defined by their businesses needs. Certainly, no one has challenged the motive behind why those areas are omitted.

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May 20, 1994
Supervisor Kennedy

To summarize:

- * The Examiner is available for newsstand sale in every neighborhood;
- * It is already available for paid home delivery in virtually every neighborhood and without regard to ethnicity or economic level;
- * We continue to make efforts to open up new areas for home delivery subscriptions;
- * The Examiner has committed to deliver papers to paying customers as a condition of being awarded the City legal printing contract. The Examiner will fulfill that commitment either by dispatching special agents to perform delivery, or in some cases by using the U.S. Postal Service to deliver on a same-day basis.

False accusation #2

The Examiner is destroying the youth carrier system which offered the youth of San Francisco an option to gangs. Delivering newspapers as independent youth carriers taught our young citizens responsibility and respect for work, two essential characteristics that serve them well as they grow toward adulthood. What will happen to these youths now? What programs can be established to assist them? The city must investigate these issues and demand that the Examiner provide funding for new programs to benefit San Francisco's young citizens.

Our response:

We agree that being a youth carrier teaches social responsibility and respect for work. Accordingly, the Examiner has made substantial efforts in the past to preserve the youth carrier service. Unfortunately, we operate in the real world of San Francisco in the 1990's where it is difficult to recruit youth carriers and only adults are willing to service some areas. We are nevertheless making new efforts to recruit youth carriers through the groups mentioned above.

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May 20, 1994
Supervisor Kennedy

False accusation #3

The Examiner is using its monopoly arrangement in a shameless attempt to put a locally- and minority-owned community newspaper out of business. The Board must investigate this unscrupulous use of predatory pricing in the Examiner's attempt to take away the Independent's contract to publish the City's public notices.

Our response:

The Examiner does not practice predatory pricing. The Examiner and the Newspaper Agency take deliberate measures to observe the letter and spirit of the laws which regulate business conduct. A determined research effort is made by our staff, and outside lawyers and accountants, to verify the legality and appropriateness of our rates. This was done with this bid. Like other businesses, we offer discounts to large customers and control our costs vigorously so as to offer competitive rates. It should also be noted that the contract for city printing has been awarded to the Examiner on several prior occasions.

False accusation #4

The Examiner had been secretly conducting business with South Africa's apartheid government even while they signed declarations with the City affirming that they had no ties to that racist regime. We must question and investigate the extent of their business holdings and ask why the City did not penalize the Examiner for supporting the apartheid system.

Our response:

The Examiner has never done business with the South African apartheid government. No unit of the Hearst Corporation has been conducting business with the apartheid government. Neither has any subsidiary nor any business partly owned by the Hearst Corporation, or the San Francisco Newspaper Agency, ever done any business with the apartheid government.

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May 20, 1994
Supervisor Kennedy

False accusation #5

The Examiner through its use of unfair labor practices is also using its monopoly arrangement to hurt many of the working class citizens of San Francisco. Complaints have already been filed with the National Labor Relations Board. The City must demand assurances from the Examiner that it will not unfairly displace a large portion of the City's employed workforce.

Our response:

The Examiner and the Newspaper Agency do not engage in unfair labor practices. The Examiner and the San Francisco Newspaper Agency are employers who hire union workers throughout their operations. From time to time, union contracts expire and the newspapers seek to re-negotiate. The Examiner is proud of its union relationships.

From time to time, either management or one of the newspaper unions may request a ruling from the NLRB. The existence of a complaint is not evidence of an unfair practice. On any occasion when the NLRB has ruled against the Examiner or the San Francisco Newspaper Agency and there has been no appeal, immediate action has been taken to ensure compliance. Nor is the Examiner, Chronicle or San Francisco Newspaper Agency part of any monopoly. In fact, the Bay Area has dozens of newspapers published in more than 20 languages. Moreover, the daily newspapers compete with other periodicals, suburban newspapers, radio, broadcast television, cable television, on-line computer services, outdoor advertising and direct mail packagers, among others, for our share of readers and advertising. The San Francisco Bay Area is a highly competitive media market by any measure.

False accusation #6

The Examiner continues to place unregulated news huts around the City. These news huts are eyesores in our communities and can be real hazards as was revealed when one of them caught fire recently and nearly spread to nearby buildings. The Examiner must take responsibility for their news huts and the huts must be regulated and assessed fees.

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May 20, 1994
Supervisor Kennedy

Our response:

The San Francisco Newspaper Agency has maintained news huts for its union and independent vendors since the turn of the century. These modest huts provide our news vendors with shelter during inclement weather and a safe and secure location for papers to be stored pending their sale. These vendors, who are working men and women, make change for customers and sell a variety of periodical products. The attempt to eliminate these news huts would put scores of people out of work for no reason.

False accusation #7

The Examiner is acting illegally in submitting two bids to the City for the public notice advertising contract. One bid was submitted under their name, the other under the Chronicle's name. But both bids were signed by the same Examiner executive! The City has regulations protecting itself against joint ventures. We must hold hearings to find out why these regulations are not being enforced and how we can begin doing so immediately.

Our response:

The San Francisco Newspaper Agency is owned by the Chronicle and Examiner and was created in 1965 to perform the functions of printing, selling, advertising and performing distribution for both papers. In an effort to win back the city public notice advertising contract, the Newspaper Agency proposed three separate bids. One bid was for joint advertising -- which would appear in both Chronicle and Examiner -- and was priced accordingly. This bid offered the city the highest amount of circulation at the lowest unit cost. The other bids were for advertising to appear in the Chronicle only and another bid in the Examiner only. These bids are less expensive in total dollars but slightly more expensive on a per unit basis (CPM).

The San Francisco Newspaper Agency markets advertising throughout California in all three of these forms. Many merchants both large and small elect to buy combination advertising because it is a cost effective way to send a message to the largest number of potential customers.

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May 20, 1994
Supervisor Kennedy

As we understand it, the city did not wish to distribute its public notice advertisements to such a large audience, many of whom live outside the city and county of San Francisco and therefore chose the Examiner bid.

In Conclusion:

Normally, the Examiner conducts its advertising business in a market place which is shaped by supply and demand. We also understand that to maintain a good relationship with our customers we need to be certain that they receive the highest quality of service at a competitive price.

Those are the realities of doing business in San Francisco and they apply directly to newspapers, computer manufacturers, phone companies and small businesses.

Unfortunately, the process by which the city chooses its contract for city printing appears to be unlike the process used for selecting other services which the city buys from the private sector. This process has been contaminated by political strong-arm tactics and a relentless campaign of lies and misrepresentations.

The Examiner must defend itself and we will do so at every occasion.

But we continue to have grave misgivings that we can perform our primary job of covering city government if we are compelled to participate in what has become, in effect, a political campaign.

It is our view that the foremost goal of the newspaper is to serve our readers, to accurately report on the institutions of government which affect the public interest and to provide accurate information to this community in an unbiased and reliable manner.

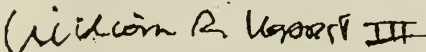
Page 8
May 20, 1994
Supervisor Kennedy

The entire process of competing for the City printing contract has already imperiled our ability to achieve that mission. It now appears that some City officials are determined to continue this process and plan to hold hearings to go over the same ground yet again. In fact the unsigned letter of April 25th is a duplicate of the paperwork generated by another bidder for the City printing!

While we are normally more than willing to respond to questioning on our business operations, the letter of April 25th is a continuation of a campaign of misinformation and harassment. This campaign has been solely a result of our misfortune of following the legal process and winning the low bid for a City contract.

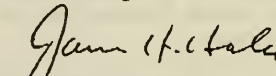
That campaign apparently will only continue now that a new ordinance has been passed giving complete discretion to the Board in awarding this contract. With that fundamental change, it is reasonable to assume that the level of political lobbying will only increase. It is difficult to see how the newspaper, or the Agency, or for that matter any paper that values its editorial independence, can continue to participate in the future in such a politicized process. Accordingly, we are re-evaluating whether we should bid on this business as we have in the past.

Sincerely,



William R. Hearst, III
Editor and Publisher
San Francisco Examiner

Sincerely,



James H. Hale
President and CEO
San Francisco Newspaper Agency

Items 2 and 3 - Files 7-93-14 and 223-94-3

Departments: Municipal Railway (MUNI)
San Francisco Police Department (SFPD)

Items: **File 7-93-14** - Hearing to consider youth crime and safety issues on the Municipal Railway (MUNI).

File 223-94-3 - Hearing to consider the emergency response capabilities on MUNI, including Police response, the reporting of incidents, panic buttons, a possible radio systems upgrade, and plans to improve the emergency response system, such as better Police staffing on MUNI.

Description: Panic Buttons

Every MUNI vehicle is equipped with an emergency alarm, also known as a panic button, which is a silent alarm that allows the transit operator to alert MUNI Central Control in a life threatening situation, without having to use the MUNI radio dispatch system. Transit Operators are instructed to use the panic button only in situations in which their lives are being threatened. In any other emergency situation, including those in which passengers' lives are being threatened, the transit operator must, using the radio dispatch system, place a priority call into Central Control and await instructions (See section below on Police Response Times and the Upgrading of MUNI's Radio Dispatch System). Once Central Control has been alerted that an emergency alarm (panic button) has been activated, all radio communications with that transit operator are terminated and the Police Department is informed by Central Control as to the approximate location of the MUNI vehicle. However, Lieutenant Fortner of the San Francisco Police Department's (SFPD) MUNI Transit Detail Unit advises that because MUNI vehicles are continuously in motion and their exact locations are unknown, the use of the panic button without any radio communication whatsoever makes it difficult to track the MUNI vehicle in trouble. Nevertheless, Ms. Kathleen Gilbert, the Deputy for MUNI's Transportation Operations Division, states that transit operators have been instructed to stop the vehicle after activating the emergency alarm (panic button) so that the vehicle may be more easily located by the Police.

BOARD OF SUPERVISORS
BUDGET ANALYST

Police Response Times and the Upgrading of MUNI's Radio Dispatch System

When an incident not life-threatening to the transit operator but which requires immediate Police or other assistance occurs aboard a MUNI vehicle, the transit operator may place a priority call (as opposed to a routine call) into MUNI Central Control using the radio dispatch system that is installed on all 1,000 MUNI vehicles in the City. When a transit operator places a priority call, the vehicle number, line number and run number appear on the Central Control dispatcher's computer screen so that the dispatcher is able to determine the approximate location of the MUNI vehicle. Upon receipt of a transit operator's priority call, Central Control obtains a description of the incident, provides instructions to the transit operator, determines whether assistance is needed, and if so, subsequently calls 911.

In November of 1993, the electorate approved the purchase of a new 800 megahertz integrated radio communications system for all City departments using a radio dispatch system. However, MUNI opted not to install the new radio dispatch system, which would allow transit operators to communicate directly with other City departments, such as the Police Department. While the new integrated radio communications system would allow transit operators to contact the Police Department immediately in the event of an emergency, rather than first notifying MUNI Central Control, MUNI advises that such a system would not necessarily be advantageous to MUNI for the reasons discussed below.

Mr. Robert Louie, Assistant Superintendent of MUNI's Central Control Division, reports that the integrated radio communications system, at an estimated cost to MUNI of \$120 million to \$140 million, would be expensive for MUNI to implement. In addition, according to Mr. Dale Duncan of MUNI, MUNI's existing radio dispatch system should be able to provide adequate radio dispatching capabilities for the next ten years with only minor adjustments to be needed in three years.

In addition, Lieutenant Fortner reports that the inability of transit operators to notify the SFPD directly in an emergency does not result in a significant amount of lost time. Lieutenant Fortner advises that delays in the SFPD's response to a reported incident result primarily from two factors: (1) the MUNI transit operator may not be aware of the incident or may fail to notify MUNI's Central Control

immediately upon the incident's occurrence, or (2) the Police Department may not respond immediately because the assignment has not been prioritized, i.e. there is no longer any immediate danger, or because the suspect has already fled the scene.

Furthermore, Mr. Louie advises that MUNI's Central Control, if required, will notify the proper authority within an average of two to three minutes of a transit operator's priority call and within two minutes of the activation of an emergency alarm (panic button). Mr. Phil Chin of MUNI's Administration Division reports that while the MUNI's Central Control dispatcher knows the approximate location of the MUNI vehicle immediately upon receipt of the priority call from the transit operator, if the transit operator were able to call the Police Department directly, the Police Department would first have to retrieve such information from the transit operator at a time when the transit operator may be under duress, thereby wasting valuable time. On the other hand, Mr. Chin reports, the MUNI Central Control dispatcher reporting an emergency to the Police Department has such information readily available and can provide it in an objective and dispassionate manner.

Mr. Chin also reports that allowing transit operators to communicate with the Police Department directly without notifying MUNI's Central Control would leave the determination of whether an actual emergency existed to the discretion of the transit operator, who is not always in a position to make such a judgment. According to Mr. Chin, MUNI must first be able to screen the transit operator's situation in order to determine whether or not there is an actual emergency that should be reported to the Police. Mr. Chin further advises that if the transit operator perceived that an immediate threat to him/her or to passengers existed and then notified the Police Department but not Central Control, MUNI would be uninformed of what was happening in its fleet and would therefore be unable to respond to the emergency in its own capacity.

Ms. Gilbert reports that since Central Control receives over 900 priority calls per month (or 30 per day) from its transit operators, it is necessary for Central Control to first screen the calls before notifying the SFPD, so that the City's 911 system is not overburdened by transit operators' calls. Mr. Chin advises that allowing transit operators to call the Police Department directly would slow down the Police Department's emergency response capabilities for the general public.

BOARD OF SUPERVISORS
BUDGET ANALYST

The Reporting of Incidents

Reports of crimes committed aboard MUNI vehicles are reported by either the transit operator, who makes a priority call to MUNI's Central Control, which then notifies the Police Department, or by the passenger, who may call the SFPD or MUNI directly after leaving the MUNI vehicle. The SFPD consolidates such reported incidents into a statistical report which it issues every three months. The most recent report (See Attachment), dated May 18, 1994, reflects the number of incidents reported for the four-month period from January, 1994 through April, 1994. These reports include data gathered from MUNI's Central Control Logs, MUNI's Passenger Service Reports, the SFPD's Computer Assisted Dispatch System, the SFPD's Police Reports, and direct calls from the public.

As reflected in the attached report, incidents occurring aboard MUNI vehicles are categorized according to the number of incident reports (1) per month, (2) per day of the week, (3) by time of day, (4) per MUNI line, (5) by location, and (6) by the type of trouble reported. As shown in the report, the number of trouble reports has averaged approximately 434 per month thus far in 1994, versus 463 during the same four month period of 1993. There are also more incidents reported on weekdays than on weekends, with most reported incidents occurring on Fridays. In terms of the time of day, the number of incidents reported reaches a peak between 3 p.m. and 4 p.m. According to the report, the most troubled MUNI lines are the 14-Mission and the 38-Geary. The most troubled location in the City is Mission Street. The most frequently reported incidents are (1) juvenile disturbances - 364 reports, (2) passenger assaults - 286 reports, (3) pick pockets - 158 reports, and (4) operator assaults - 67 reports.

Lieutenant Fortner reports that the number of incidents reported by the SFPD's MUNI Transit Detail Unit and by MUNI differ because MUNI records incidents in terms of disruptions of service. In addition, Lieutenant Fortner advises that the incident reports maintained by the SFPD's MUNI Transit Detail Unit do not reflect the total number of incidents that occur aboard MUNI vehicles, as many incidents are left unreported.

Improvement of the Emergency Response System

The SFPD provides a MUNI Transit Detail Unit, which is responsible for patrolling MUNI lines and services. The MUNI Transit Detail Unit consists of 33 Police Officers, 5 Sergeants, and one Lieutenant, for a total of 39 employees.

Lieutenant Fortner reports that 12 of the 33 Police Officers are provided to and paid for by MUNI through an interdepartmental workorder with the SFPD. For FY 1993-94, the workorder budget is \$1,050,000, which consists of approximately 29,800 hours of service (20,400 regular hours plus 9,400 overtime hours). The SFPD has provided the following cost breakdown for the \$1,050,000:

12 Q2 Police Officers @ approx. 1,700 hrs./	
Officer/yr. @ \$33.60/hr. (total of 20,400 hours)	\$684,000
9,400 hours of Overtime @ approx. \$39/hr.	<u>366,000</u>
Total (29,800 hours)	\$1,050,000

The remaining 21 (33 less 12) Police Officers, five Sergeants and one Lieutenant, a total of 27 uniform personnel, are part of the SFPD's Crime Prevention Unit. The SFPD estimates that the total annual cost of these 27 Officers for FY 1993-94 is approximately \$1.98 million, which is paid for entirely by the SFPD. Each Officer works approximately 1,700 hours per year, for a total of approximately 46,000 hours per year. The SFPD has provided the following cost breakdown, including salaries and fringe benefits, for these 21 Police Officers, five Sergeants and one Lieutenant:

Classification	Annual Salary @ Top Step	Estimated Annual Cost	No. of Positions	Total Cost
Q2 Police Officer	\$48,468	\$70,000	21	\$1,470,000
Q50 Sergeant	56,246	84,000	5	420,000
Q60 Lieutenant	64,258	90,000	<u>1</u>	<u>90,000</u>
Total			27	\$1,980,000

According to Lieutenant Fortner, MUNI Transit Detail staff are deployed on the basis of when and where the most incidents occur, as provided by the statistical reports cited above. Currently, there are two shifts - from 10 a.m. until 6 p.m. and from 2 p.m. until 10 p.m. According to MUNI's FY 1994-95 budget proposal explanations, 39 full-time MUNI

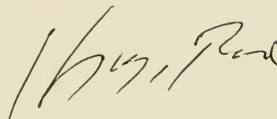
Transit Detail Police Officers are not sufficient to handle the high volume of crime occurring on MUNI vehicles.

The SFPD reports that an additional 17 full-time Q2 Police Officers, at an estimated annual cost of \$1.19 million, may be added to the MUNI Transit Detail Unit by the end of 1995, for a total of 50 Police Officers, five Sergeants and one Lieutenant (56 employees) who would be devoted to the MUNI Transit Detail Unit on a full-time basis. As of the writing of this report, it has not yet been determined how the cost of the 56 full-time MUNI Transit uniform personnel will be divided between the SFPD's budget and MUNI's budget.

In addition to the approximately 29,800 hours currently paid for by MUNI and the approximately 46,000 hours currently paid for by the SFPD (or a total of about 75,800 hours), the proposed total of 56 MUNI Transit uniform personnel would contribute a total of approximately 95,200 hours, an average of 1,700 hours per officer annually, or an increase of approximately 19,400 hours (25.6 percent) annually.

According to Mr. Chin, MUNI is also exploring other options to improve MUNI's emergency response capabilities other than expanding the MUNI Transit Detail Unit. Mr. Chin advises that one option would be to purchase a radio for the Police Department that would be permanently tuned to MUNI Central Control's frequency so that the SFPD could constantly monitor exchanges between transit operators and MUNI's Central Control dispatchers and therefore be able to respond immediately to such an emergency. Mr. Chin reports that such a radio would cost between \$1,000 and \$2,000.

Memo to Economic Vitality & Social Policy Committee
May 24, 1994 Economic Vitality & Social Policy Committee Meeting



Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

Memorandum

San Francisco Police Department



APPROVED

YES

NO

TO: Commander Richard Holder
Special Operations Division

_____☐☐
_____☐☐
_____☐☐

FROM: Lieutenant Edward Fortner
Officer in Charge
Muni Transit Detail

Edward Fortner

DATE: 05/18/94

SUBJECT: Trouble Report

ISSUE: Location and Time of Criminal Activity on the Muni System.

DISCUSSION: The below figures are drawn from Muni Central Control Logs, Muni PSR reports, a daily search of SFPD police reports, a daily search of the SFPD CAD system, and information directly reported to my office by citizens.

All Types of trouble report.

	1994	1993
January	425	449
February	383	476
March	499	605
April	428	323

Assaults on Passengers.

	1994	1993
January	75	21
February	73	15
March	91	30
April	51	20

Assaults on Operators.

	1994	1993
January	8	19
February	18	19
March	18	12
April	17	7

Figures below are for 1994 only.

Trouble by Day of Week

Sunday	185
Monday	226
Tuesday	252
Wednesday	252
Thursday	247
Friday	274
Saturday	218

Trouble by Time of Day, Peak Periods Only

08:00 - 08:30	32
09:00 - 09:30	27
10:00 - 10:30	26
12:00 - 12:30	33
13:00 - 13:30	54
14:00 - 14:30	49
15:00 - 15:30	127
15:30 - 16:00	115
16:00 - 16:30	95
16:30 - 17:00	83

17:00 - 17:30	75
17:30 - 18:00	52
18:00 - 18:30	49
18:30 - 19:00	40
20:00 - 20:30	55

Most Troubled Lines

The line # was unknown on 476 of the trouble reports. The below figures are from known lines.

	Total
14	108
15	66
38	76
48	56
29	57

Most Troubled Street

Trouble reports are scattered over more than one hundred Streets. Below are the five most troubled streets.

	Total	Most Common Trouble Type
Mission St.	209	55 Assaults (7 operator, 48 pass.)
Market St.	97	27 pick pockets
Geary St.	65	19 Pick pockets
Fillmore St.	46	15 pickpocket, 16 Juvenile disturbance
Judah St.	33	20 Juvenile disturbance

Most Common Types of Trouble

Juvenile Problems

Total Juvenile involved problems = 364

Lines with Juvenile problems, in descending order = 48, 29, 14, 24, 49

Streets with Juvenile problems, in descending order =

Mission St., Judah St., Church St., Divisadero St., Castro Street, Market Street.

Assaults

Passenger Assaults = 286

Operator Assaults = 67

Line # on which assaults occur, in descending order = Unknown(110), 14, 49, 44, 48, 24.

Streets on which assaults occur, in descending order = Mission St., Market St., Church St., Palou St., Geary St.

Pick Pockets

Total = 158

The line # is unknown on 109 of the reported thefts by pick pocket. Of those thefts in which the line # was known, the most common line # were : 38, 71, 14, 15, 22.

The Streets on which theft by pickpocket most commonly occurred were: Market St., Geary St., Fillmore St., Mission St., and Stockton St.

CONCLUSION: Crime over all is lower in 1994 than 1993. Passenger assaults are up. Operator assaults are at the same level.

RECOMMENDATION: Deployment of available personnel on the lines and at the times and locations indicated by this data.

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CALENDAR

REGULAR MEETING
ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, MAY 24, 1994 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS KENNEDY, KAUFMAN, CONROY

CLERK: GAIL JOHNSON

1. File 112-94-2. [Examiner/SF Newspaper Agency/Chronicle] Hearing to consider if and how the City, its residents, government and its businesses are being hurt by the San Francisco Examiner through its joint operating agreement with the San Francisco Newspaper Agency and the Chronicle. (Supervisor Kennedy)

ACTION: Hearing held. Consideration continued to June 14, 1994, meeting.

2. File 7-93-14. Hearing to consider youth crime and safety issues on the Municipal Railway. (Supervisor Conroy)

ACTION: Hearing held. Consideration continued to the Call of the Chair.

File 7-93-14.1. Resolution, as presented by Supervisor Conroy, prepared in and reported out of Committee. Entitled: "[Muni Safety] Urging the Mayor to urge the Public Utilities Commission, the San Francisco Police Department, the San Francisco Unified School District and all private school representatives to work cooperatively to reduce the incidents of crime and assaults on drivers and passengers on the Municipal Railway and urging the Mayor to urge the Public Utilities Commission and the San Francisco Police Department to develop adequate response systems for responding to emergencies and altercations on the Municipal Railway." Recommended.

3. File 223-94-3. [Emergency Response Capabilities on Muni Railway] Hearing to consider the emergency response capabilities on the Municipal Railway, including Police response, reporting of incidents, panic buttons, possible radio systems upgrades, and plans to improve the emergency response system, such as better police staffing for the Municipal Railway. (Supervisor Conroy)

ACTION: Hearing held. Consideration continued to the Call of the Chair.

4. File 246-94-1. [Old St. Mary's Cathedral] Resolution declaring the City and County of San Francisco's recognition of support of Old St. Mary's Cathedral (one of the City's oldest historical and social pioneers) and urging the people of San Francisco to assist Old St. Mary's in its bid to raise the funds necessary to seismically retrofit the 140-year-old landmark. (Supervisors Hsieh, Alioto)

ACTION: Hearing held. Recommended.



BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

June 10, 1994

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: June 14, 1994 Economic Vitality and Social Policy Committee Meeting

Item 1 - File 112-94-2

Note: This item was continued by the Economic Vitality and Social Policy Committee at its meeting of May 24, 1994.

Item: This proposed Item is a hearing to consider if and how the City, its residents, its government agencies and its businesses are being hurt by the San Francisco Examiner through its joint operating agreement with the San Francisco Newspaper Agency and the Chronicle.

Description: Mr. Claude Everhart of the San Francisco Newspaper Agency advises that the joint operating agreement between the San Francisco Examiner, the San Francisco Chronicle and the San Francisco Newspaper Agency was entered into in 1965, in order to ensure an economic basis for the continued operation of both newspapers. Mr. Everhart advises that this agreement, along with similar agreements between newspapers in five other cities (Honolulu, Detroit, Tulsa, Seattle, and York), is exempt from Federal Anti-Trust laws by the Federal Newspaper Preservation Act. According to Mr. Everhart, the primary purpose of this Act is to preserve competing editorial voices in cities. Mr. Everhart reports that, under this agreement, the Examiner and the Chronicle each provide their own separate editorial staffs for their respective newspapers, and the San Francisco Newspaper Agency is responsible for the production and business

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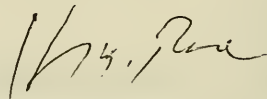
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Memo to Economic Vitality & Social Policy Committee
June 14, 1994 Economic Vitality & Social Policy Committee Meeting

operations of the two newspapers (i.e., printing, delivery, subscriptions and advertising).

Comment:

Attached is a letter prepared by Mr. William Hearst, III, Editor and Publisher of the San Francisco Examiner and Mr. James Hale, President and Chief Executive Officer (CEO) of the San Francisco Newspaper Agency. This eight-page letter provides a response to seven accusations contained in an unsigned April 25, 1994 letter to the Sponsor of the proposed hearing.



Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

San Francisco Examiner

MONARCH OF THE DAILIES

May 20, 1994

BY FAX AND MAIL

Honorable Willie B. Kennedy
San Francisco Board of Supervisors
City Hall, Room 235
San Francisco, CA 94102

Dear Supervisor Kennedy:

Thank you for the opportunity to respond in writing to the unsigned letter addressed to you dated April 25, 1994. The Examiner and the Newspaper Agency believe that a number of misrepresentations have been circulated to board members, and we are pleased to have a chance to record our response. In an effort to deal with each point in order, our answers will follow the list of accusations in the April 25th letter, specifically:

False accusation #1

The Examiner red-lines many African American neighborhoods. They refuse to deliver their newspaper even if people who live in these neighborhoods want to pay full regular price for a subscription.

The Examiner continues this illegal discriminatory policy even though they have been designated as an "Official Newspaper" of San Francisco. Their deeds shame all of our citizens. We must have hearings to discuss what sanctions the City can place on the Examiner for their blatant acts of racial bias.

Our response:

The Examiner does not red-line in any neighborhoods. This is an extremely damaging and false accusation. The Examiner is distributed to every neighborhood in San Francisco. Our form of distribution does vary in different parts of the City.

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May 20, 1994
Supervisor Kennedy

In every district, the Newspaper Agency uses union employees to maintain newsstand distribution -- down to the news rack, vendor and local merchant's location. Home delivery subscriptions are not served by employees. Drivers deliver bundles only to the street corner where an independent carrier breaks down the bundle and delivers the paper to the customer doorstep. All carriers are compensated on a per piece basis without discrimination of any kind.

In a very small number of communities, the Newspaper Agency has experienced problems in recruiting carriers to complete the final step of home delivery distribution. In all cases, the difficulty has been connected with valid business concerns. It has been very problematic to retain carriers in areas and the Newspaper Agency continues to make every effort to find new substitute carriers. (Included in these areas are sections of 6th Street and the Broadway nude club strip.) Recently we have been working with the neighborhood organizations such as the Bay Area Urban League, the Youth Community Developers and the Ella Hill Hutch Center to enlist their help in the recruiting of carriers in underserved areas.

These newsstand-only areas exist because of market conditions and have nothing whatsoever to do with ethnicity of these neighborhoods. No records are kept by the Examiner to indicate the ethnic status of any of our subscribers. In fact, we do not know the ethnicity of subscribers on an individual name basis.

As you perhaps realize, other local newspapers have large block areas where they support neither home delivery, nor newsstand distribution. Presumably, those no-delivery zones are defined by their businesses needs. Certainly, no one has challenged the motive behind why those areas are omitted.

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May 20, 1994
Supervisor Kennedy

To summarize:

- * The Examiner is available for newsstand sale in every neighborhood;
- * It is already available for paid home delivery in virtually every neighborhood and without regard to ethnicity or economic level;
- * We continue to make efforts to open up new areas for home delivery subscriptions;
- * The Examiner has committed to deliver papers to paying customers as a condition of being awarded the City legal printing contract. The Examiner will fulfill that commitment either by dispatching special agents to perform delivery, or in some cases by using the U.S. Postal Service to deliver on a same-day basis.

False accusation #2

The Examiner is destroying the youth carrier system which offered the youth of San Francisco an option to gangs. Delivering newspapers as independent youth carriers taught our young citizens responsibility and respect for work, two essential characteristics that serve them well as they grow toward adulthood. What will happen to these youths now? What programs can be established to assist them? The city must investigate these issues and demand that the Examiner provide funding for new programs to benefit San Francisco's young citizens.

Our response:

We agree that being a youth carrier teaches social responsibility and respect for work. Accordingly, the Examiner has made substantial efforts in the past to preserve the youth carrier service. Unfortunately, we operate in the real world of San Francisco in the 1990's where it is difficult to recruit youth carriers and only adults are willing to service some areas. We are nevertheless making new efforts to recruit youth carriers through the groups mentioned above.

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Supervisor Kennedy

False accusation #3

The Examiner is using its monopoly arrangement in a shameless attempt to put a locally- and minority-owned community newspaper out of business. The Board must investigate this unscrupulous use of predatory pricing in the Examiner's attempt to take away the Independent's contract to publish the City's public notices.

Our response:

The Examiner does not practice predatory pricing. The Examiner and the Newspaper Agency take deliberate measures to observe the letter and spirit of the laws which regulate business conduct. A determined research effort is made by our staff, and outside lawyers and accountants, to verify the legality and appropriateness of our rates. This was done with this bid. Like other businesses, we offer discounts to large customers and control our costs vigorously so as to offer competitive rates. It should also be noted that the contract for city printing has been awarded to the Examiner on several prior occasions.

False accusation #4

The Examiner had been secretly conducting business with South Africa's apartheid government even while they signed declarations with the City affirming that they had no ties to that racist regime. We must question and investigate the extent of their business holdings and ask why the City did not penalize the Examiner for supporting the apartheid system.

Our response:

The Examiner has never done business with the South African apartheid government. No unit of the Hearst Corporation has been conducting business with the apartheid government. Neither has any subsidiary nor any business partly owned by the Hearst Corporation, or the San Francisco Newspaper Agency, ever done any business with the apartheid government.

False accusation #5

The Examiner through its use of unfair labor practices is also using its monopoly arrangement to hurt many of the working class citizens of San Francisco. Complaints have already been filed with the National Labor Relations Board. The City must demand assurances from the Examiner that it will not unfairly displace a large portion of the City's employed workforce.

Our response:

The Examiner and the Newspaper Agency do not engage in unfair labor practices. The Examiner and the San Francisco Newspaper Agency are employers who hire union workers throughout their operations. From time to time, union contracts expire and the newspapers seek to re-negotiate. The Examiner is proud of its union relationships.

From time to time, either management or one of the newspaper unions may request a ruling from the NLRB. The existence of a complaint is not evidence of an unfair practice. On any occasion when the NLRB has ruled against the Examiner or the San Francisco Newspaper Agency and there has been no appeal, immediate action has been taken to ensure compliance. Nor is the Examiner, Chronicle or San Francisco Newspaper Agency part of any monopoly. In fact, the Bay Area has dozens of newspapers published in more than 20 languages. Moreover, the daily newspapers compete with other periodicals, suburban newspapers, radio, broadcast television, cable television, on-line computer services, outdoor advertising and direct mail packagers, among others, for our share of readers and advertising. The San Francisco Bay Area is a highly competitive media market by any measure.

False accusation #6

The Examiner continues to place unregulated news huts around the City. These news huts are eyesores in our communities and can be real hazards as was revealed when one of them caught fire recently and nearly spread to nearby buildings. The Examiner must take responsibility for their news huts and the huts must be regulated and assessed fees.

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May 20, 1994
Supervisor Kennedy

Our response:

The San Francisco Newspaper Agency has maintained news huts for its union and independent vendors since the turn of the century. These modest huts provide our news vendors with shelter during inclement weather and a safe and secure location for papers to be stored pending their sale. These vendors, who are working men and women, make change for customers and sell a variety of periodical products. The attempt to eliminate these news huts would put scores of people out of work for no reason.

False accusation #7

The Examiner is acting illegally in submitting two bids to the City for the public notice advertising contract. One bid was submitted under their name, the other under the Chronicle's name. But both bids were signed by the same Examiner executive! The City has regulations protecting itself against joint ventures. We must hold hearings to find out why these regulations are not being enforced and how we can begin doing so immediately.

Our response:

The San Francisco Newspaper Agency is owned by the Chronicle and Examiner and was created in 1965 to perform the functions of printing, selling, advertising and performing distribution for both papers. In an effort to win back the city public notice advertising contract, the Newspaper Agency proposed three separate bids. One bid was for joint advertising -- which would appear in both Chronicle and Examiner -- and was priced accordingly. This bid offered the city the highest amount of circulation at the lowest unit cost. The other bids were for advertising to appear in the Chronicle only and another bid in the Examiner only. These bids are less expensive in total dollars but slightly more expensive on a per unit basis (CPM).

The San Francisco Newspaper Agency markets advertising throughout California in all three of these forms. Many merchants both large and small elect to buy combination advertising because it is a cost effective way to send a message to the largest number of potential customers.

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May 20, 1994
Supervisor Kennedy

As we understand it, the city did not wish to distribute its public notice advertisements to such a large audience, many of whom live outside the city and county of San Francisco and therefore chose the Examiner bid.

In Conclusion:

Normally, the Examiner conducts its advertising business in a market place which is shaped by supply and demand. We also understand that to maintain a good relationship with our customers we need to be certain that they receive the highest quality of service at a competitive price.

Those are the realities of doing business in San Francisco and they apply directly to newspapers, computer manufacturers, phone companies and small businesses.

Unfortunately, the process by which the city chooses its contract for city printing appears to be unlike the process used for selecting other services which the city buys from the private sector. This process has been contaminated by political strong-arm tactics and a relentless campaign of lies and misrepresentations.

The Examiner must defend itself and we will do so at every occasion.

But we continue to have grave misgivings that we can perform our primary job of covering city government if we are compelled to participate in what has become, in effect, a political campaign.

It is our view that the foremost goal of the newspaper is to serve our readers, to accurately report on the institutions of government which affect the public interest and to provide accurate information to this community in an unbiased and reliable manner.

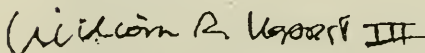
Page 8
May 20, 1994
Supervisor Kennedy

The entire process of competing for the City printing contract has already imperiled our ability to achieve that mission. It now appears that some City officials are determined to continue this process and plan to hold hearings to go over the same ground yet again. In fact the unsigned letter of April 25th is a duplicate of the paperwork generated by another bidder for the City printing!

While we are normally more than willing to respond to questioning on our business operations, the letter of April 25th is a continuation of a campaign of misinformation and harassment. This campaign has been solely a result of our misfortune of following the legal process and winning the low bid for a City contract.

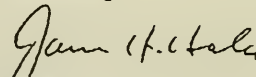
That campaign apparently will only continue now that a new ordinance has been passed giving complete discretion to the Board in awarding this contract. With that fundamental change, it is reasonable to assume that the level of political lobbying will only increase. It is difficult to see how the newspaper, or the Agency, or for that matter any paper that values its editorial independence, can continue to participate in the future in such a politicized process. Accordingly, we are re-evaluating whether we should bid on this business as we have in the past.

Sincerely,



William R. Hearst, III
Editor and Publisher
San Francisco Examiner

Sincerely,



James H. Hale
President and CEO
San Francisco Newspaper Agency

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CALENDAR - *ACTIONS TAKEN*

REGULAR MEETING
ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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TUESDAY, JUNE 14, 1994 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS KENNEDY, KAUFMAN, CONROY

CLERK: GAIL JOHNSON

1. File 112-94-2. [Examiner/SF Newspaper Agency/Chronicle] Hearing to consider if and how the City, its residents, government and its businesses are being hurt by the San Francisco Examiner through its joint operating agreement with the San Francisco Newspaper Agency and the Chronicle. (Supervisor Kennedy)

(Continued from 5/24/94)

ACTION: Hearing held. Continued to the Call of the Chair.

2. File 207-93-17. [Hunter's Point Police Station Financing] Hearing to consider Hunter's Point Police Station financing. (Supervisor Kennedy)

ACTION: Hearing held. Continued to the Call of the Chair.

3. File 236-94-1. [Construction and Trucking Contracts] Hearing to consider the way construction and trucking contracts are allocated. (Supervisor Kennedy)

ACTION: Hearing held. Continued to the Call of the Chair.

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CITY AND COUNTY



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ATTN: Jane Judson
OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

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June 24, 1994

TO: Economic Vitality and Social Policy Committee
FROM: Budget Analyst *RECOMMENDATIONS*
SUBJECT: June 28, 1994 Economic Vitality and Social Policy Committee Meeting

Item 1 - File 7-94-5

Note: This item was continued by the Economic Vitality and Social Policy Committee at its meeting of March 22, 1994.

1. This is a hearing to consider whether part-time bus drivers currently employed by the Municipal Railway (MUNI) can be given preference during recruitment for full-time employment.

2. According to Ms. Kathleen Kelly of the Public Utilities Commission (PUC), up until 1990, part-time bus drivers were hired through Temporary Civil Service announcements (requires an oral and written exam), which meant that these part-time bus drivers had Civil Service status. Under this arrangement, when MUNI needed new full-time bus drivers, MUNI would release a promotional announcement whereby part-time bus drivers, as existing Civil Servants, would be given an opportunity to promote to full-time employment, according to Ms. Kelly.

3. However, Ms. Kelly advises that under this arrangement in which MUNI filled full-time positions by promoting existing part-time drivers, many individuals who were interested in full-time bus driver positions could not be considered because they could not afford to go through the process of working on a part-time basis prior to gaining a full-time position. Thus in 1990, the PUC Personnel Bureau developed a full-time only list (requires an oral and written exam) and a separate part-time provisional list (requires an oral exam) for hiring new bus drivers. Under this arrangement, an individual could apply for employment to be included on one or both of these lists. However, an individual hired from the part-time provisional list did not receive Civil Service status and there were no opportunities for full-time

employment. Therefore, in order for part-time bus drivers to attain full-time bus driver positions, they had to be part of, and hired from, the full-time eligible list.

4. According to Ms. Kelly, many of the approximately 180 existing part-time bus drivers (who were hired from the part-time provisional list but were interested in full-time positions) were upset that individuals with no experience were being hired for full-time positions because they were at the top of the full-time only eligible lists, instead of existing part-time drivers with experience. Thus, on March 4, 1994, the PUC reached an agreement with the Transit Workers Union-Local 250-A to allow all of the 180 part-time bus drivers to participate in an oral exam (the written test was waived based on the fact that the written test is designed to measure skills that have already been demonstrated by the part-time drivers through their driving experience) to gain Civil Service status. The individuals who passed the exam have been added to the Temporary Civil Service list and are now eligible to be promoted to full-time positions through a promotional announcement. Ms. Kelly advises that prior to the promotional announcement, the PUC must first meet with the Transit Workers Union-Local 250-A to resolve the outstanding issue of how to handle the status of individuals who are not working as part-time bus drivers but whose names are still on the full-time eligible list. Ms. Kelly reports that discussion on this issue began on approximately June 20, 1994.

5. Ms. Kelly advises that, in the future, part-time bus drivers will be hired from Temporary Civil Service announcements and will have Civil Service status. The PUC and Transit Workers Union-Local 250-A have yet to determine how to handle the current full-time eligible list. Whether MUNI will hire for full-time positions only by promoting existing part-time drivers or by also hiring from the full-time eligible list has yet to be determined.

Item 2 - File 107-94-3

Item: The proposed item is a hearing on the feasibility of establishing group homes for medically fragile babies born in the City and County of San Francisco.

Description: Ms. Pat Reynolds, Assistant General Manager of Family and Childrens Services of the Department of Social Services (DSS), advises that the category of medically fragile infants includes, but is not limited to, (1) infants who require tube feeding, (2) infants who are suffering severe symptoms caused by their exposure to drugs, (3) infants with severe neurological problems and (4) infants who have been diagnosed with AIDS. Ms. Reynolds advises that all medically fragile infants are placed in foster care homes.

Ms. Reynolds reports that there are currently a total of 92 medically fragile infants which are placed in foster care homes, of which 40 are in foster care homes under the Baby Moms Program (long term care) and 52 are in foster care homes which provide emergency shelter (short term care).

Comments: 1. Ms. Reynolds advises that DSS believes that group homes, which are typically six or more beds, should be the placement of last resort for infants. Ms. Reynolds states that this is particularly the case for medically fragile infants because the severity of their health problems require that they receive intensive one-on-one care.

2. Attached is a letter prepared by the City Attorney which summarizes new restrictions on the placement of children under the age of six in group homes, pursuant to State Welfare and Institutions Code Sections 319.2 and 361.2 (b) (6).



Harvey M. Rose

cc: Supervisor Kennedy	Supervisor Migden
Supervisor Kaufman	Supervisor Shelley
Supervisor Conroy	Clerk of the Board
President Alioto	Chief Administrative Officer
Supervisor Bierman	Controller
Supervisor Hallinan	Teresa Serata
Supervisor Hsieh	Robert Oakes
Supervisor Leal	Ted Lakey
Supervisor Maher	

BOARD OF SUPERVISORS
BUDGET ANALYST

City and County of San Francisco:

Office of City Attorney



Louise H. Renne,
City Attorney

ATTORNEY CLIENT-PRIVILEGE

DATE: APRIL 15, 1994

TO: SUSAN ARDING (F-456)

FROM: AMY S. ACKERMAN
DEPUTY CITY ATTORNEY
(415) 753-7851

RE: NEW LEGISLATION RESTRICTING PLACEMENT
OF CHILDREN UNDER AGE SIX IN GROUP HOMES

Enclosed are copies of the two new statutes we discussed by telephone yesterday. These statutes severely limit the Department's ability to place children under age six in group homes, including California Children's Home, St. Elizabeth's and Florence Crittendon. These statutes are effective as of January 1, 1994.

Welfare and Institutions Code Section 319.2 prohibits placing a child under age six in a group home at the time of detention (i.e. as a shelter placement). The child may only be placed in a group home "when the court finds that placement is necessary to secure a complete and adequate evaluation, including placement planning and transition time." The placement may not exceed 60 days unless the need for additional time is documented in the case plan and approved by the caseworker's supervisor.

Welfare and Institutions Code Section 361.2(b)(6) prohibits placing a child under six years in a group home at disposition unless one of two conditions exists:

The first condition is that the case plan indicates that the placement is for purposes of providing specialized treatment to the child. The case plan must specify the need for, nature of, and anticipated duration of this treatment. The treatment may not exceed 120 days unless the additional time is needed pursuant to the case plan. The caseworker supervisor must approve the extension. This exception appears to apply to children with serious physical or mental health problems that may require residential treatment.

Susan Arding

-2-

April 15, 1994

Re: New Legislation Restricting Placement of Children Under Age Six In Group Homes

Second, children under age six may be placed in group homes when the case plan indicates that the placement is for purposes of providing family reunification services. However, the placement may be made only if that facility offers family reunification services, permits parents reasonable access to their children 24 hours a day, encourages extensive parental involvement in meeting the daily needs of their children, and employs staff trained to provide family reunification services. In addition, one of the following conditions must exist: 1) The child's parent is also a ward or dependent of the court and resides in the facility. 2) The child's parent is participating in a treatment program affiliated with the facility. 3) Placement in the facility is the only alternative that permits the parent to have daily 24 hour access to the child, to participate fully in meeting the daily needs of the child, and to have access to necessary reunification services.

It appears that both the Florence Crittenton and St. Elizabeth's facility comply with section 361.2(b)(6)(B) provided that the children's parents are participating in the facility reunification programs. If the parents' are not participating in the facility's reunification program or if they drop out of the program, the child must be removed from the group home.

We will be training all workers in this new legislation as part of "Court Training IV."

If you have any additional questions, please do not hesitate to call me at (415) 753-7851.

Encl(s).

cc:	Pat Reynolds	B400 (2-1440)
	Michelle Rutherford	F000 (2-1440)
	Patrick Duterte	N000 (1-1440)
	Karen Sechser	N010 (1-1440)
	Socorro Berry	N020 (SFGH)
	James Dugish	N530 (SFGH)
	Joshua Thomas	N54B (SFGH)
	Helen Gary-Brown	N54A (SFGH)
	Court Officers	
	Deputy City Attorneys	

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CALENDAR

REGULAR MEETING
ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, JUNE 28, 1994 - 2:00 P.M.

LEGISLATIVE CHAMBER
2ND FLOOR, CITY HALL

PRESENT: SUPERVISORS KENNEDY AND KAUFMAN

ABSENT: SUPERVISOR CONROY

CLERK: GAIL JOHNSON

1. File 7-94-5. [Public Utilities Commission Hiring Practice] Hearing to consider whether part-time drivers currently employed by Municipal Railway can be given preference during recruitment for full-time employment. (Supervisor Kennedy)

ACTION: Hearing held. Filed.

2. File 107-94-3. [Group Homes for Medically Fragile Babies] Hearing to consider the feasibility of establishing group homes for medically fragile babies born in San Francisco. (Supervisors Kennedy, Alioto)

ACTION: Hearing held. Continued to the Call of the Chair.

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Attn: Jane Hudson

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OF SAN FRANCISCO

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BOARD OF SUPERVISORS

JUL 12 1994

BUDGET ANALYST

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July 8, 1994

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: July 12, 1994 Economic Vitality and Social Policy Committee Meeting

Items 4, 5 and 6 - Files 97-94-45, 97-94-46, and 97-94-47

Item:

File 97-94-45: Ordinance amending Administrative Code by adding Section 6.56 relating to penalties assessed against contractors for submitting false claims.

File 97-94-46: Hearing to consider legislation requiring the City to pursue false billings and claims made by City contractors under Government Code Section 12650, the False Claims Act, that would hold such contractors liable to the City for three times the damages sustained by the City from the false claim, and a civil penalty of up to \$10,000. Such legislation would require a change to the Administrative Code provision to require the City to place language referring to the False Claims Act in all contracts.

File 97-94-47: Hearing to consider the problem in all City departments of consultant contract cost overruns, and possible amendment to the Administrative Code to provide for the fine or ban of a contractor from doing business with the City for a specified time when found to be overbilling the City or continuing to bill the City for contractual services over the contract amount prior to written and proper approval, and requiring the City to place such Administrative Code provisions in all contracts for consultants and services.

Description:

The proposed ordinance (File 97-94-45) would amend the San Francisco Administrative Code by adding a new section regarding penalties assessed against contractors for submitting false claims. The proposed addition to the Administrative Code is essentially the same language as appears in Government Code Sections 12650 and 12651, which are part of the False Claims Act.

The proposed Section 6.56 applies to contractors or subcontractors who commit any of the following acts: (1) knowingly presenting or causing to present to an officer or employee of the City a false claim for payment or approval; (2) knowingly making, using, or causing to be made or used a false record or statement to get a false claim paid or approved by the City; (3) conspiring to defraud the City by getting a false claim allowed or paid by the City; (4) knowingly making, using, or causing to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; and (5) failing to disclose an inadvertent submission of a false claim to the City of which one is a beneficiary.

Under the proposed amendment, a contractor or subcontractor that commits any one of the above acts would be liable to the City for three times the amount of damages which the City sustains as a result of that act. The contractor or subcontractor would also be liable to the City for the costs of any civil action brought to recover any of those penalties or damages, and liable to the City for a civil penalty of up to \$10,000 for each false claim. For any act committed by two or more persons, all parties are liable. This section would not apply to any false claims of less than \$500.

The proposed amendment to the Administrative Code also requires that every contract performed at the expense of the City and County of San Francisco, either under direct contract, subcontract, subpartnership, day labor, station work, piece work, or any other arrangement, shall contain a clause reciting the above provisions.

The proposed amendment uses the same definitions for "contractor" and "subcontractor" as found in Section 12D.5 of the San Francisco Administrative Code.

The proposed amendment defines "claim" as any request or demand by a City contractor for money, property or services made to any employee, officer or agent of the City. A "claim" as defined in the proposed amendment also includes any request or demand for money, property or services to any

contractor, subcontractor, grantee, or other recipient (whether under contract or not) if any portion of the money, property, or services requested or demanded was issued from or provided by the City.

The term "knowingly", as used in the proposed amendment, is defined as having actual knowledge, acting in deliberate ignorance or reckless disregard of the truth or falsity of information. According to this definition, proof of specific intent is not required.

Comment:

1. This proposed amendment to the Administrative Code is intended to correct a deficiency in the Administrative Code which has recently prevented the City from penalizing a contractor for filing a false claim. Administrative Code Section 6.45 states that the City may declare a contractor an irresponsible bidder and ban the contractor from performing any work for the City for a period of five years, but a recent court ruling on the Stacy & Witbeck case determined that Section 6.45 did not apply to a contractor that knowingly falsifies a claim. The case of Stacy & Witbeck is described below.

On April 19, 1994 the Public Utilities Commission (PUC) lodged charges against Stacy & Witbeck, Inc. ("Stacy") alleging that Stacy knowingly submitted a false contract claim to the City and County of San Francisco on the Castro Cross-over construction project. A hearing was held before the PUC. On June 6, 1994 the PUC found that Stacy knowingly and intentionally submitted a false claim to the City. The PUC found Stacy an irresponsible contractor under Administrative Code Section 6.45, and therefore banned Stacy from acting as a contractor or subcontractor for the City of San Francisco for a period of five years. The PUC's findings of fact and conclusions of law were issued on June 20, 1994.

The PUC held that Section 6.45 of the Administrative Code permits the PUC to deem a contractor irresponsible for failing to abide by the rules and regulations set forth in Chapter 6 of the Administrative Code. Specifically, Section 6.14 (which provides that a contractor can be compensated by the City for delays caused by the City) was incorporated into the contract, and the PUC held that implicit in Section 6.14 is "the requirement that Stacy make a good faith effort to submit an honest evaluation of its claim". The PUC held that Stacy's knowing submission of a false claim constituted a violation of this good faith effort, and therefore constituted a violation of the "rules and regulations" referred to in Section

6.45. As such, the PUC found Stacy an irresponsible contractor under Section 6.45 of the Administrative Code.

Following the PUC's decision, Stacy & Witbeck moved for and obtained a preliminary injunction against the City and County of San Francisco and the PUC, overturning the PUC's decision. Stacy did not deny that it knowingly filed a false claim in an amount in excess of \$400,000. Stacy argued that the definition of "irresponsible contractor" in Section 6.45 of the Administrative Code did not include submitting a false claim, and therefore the City could not ban Stacy from acting as a contractor or subcontractor for the City.

The California Superior Court, City and County of San Francisco, granted the preliminary injunction and held that "distortions in a claim, no matter how egregious, are not a violation of Section 6.14". The Court continued by disagreeing with the City that the implied covenant of good faith and fair dealing is not one of the "rules and regulations" governed by Section 6.45 of the Administrative Code.

2. Deputy City Attorney Geoffrey Spellberg, who represented the City in the Stacy & Witbeck case, reports that under the Court's ruling, Chapter 6 of the Administrative Code "does not provide statutory authority to punish contractors who submit false claims" to the City. According to Mr. Spellberg, the Administrative Code needs to be amended to reflect the apparent deficiencies identified by the Court. In Mr. Spellberg's opinion, however, the proposed amendment adding Section 6.56 to the Administrative Code is not sufficient to provide the statutory authority to punish contractors who submit false claims to the City. The attached memo from Mr. Spellberg provides additional amendments to Chapter 6 of the Administrative Code which, in his opinion, are necessary.

3. The Stacy & Witbeck case is the first false claims case that resulted in both a ban of the contractor by the City and a subsequent overturning of this ban by the Court. Although many potential contractors' claims are disputed by the City, most are negotiated before the contractors submit formal claims to the City. Few such claims actually go into litigation, as prohibitive legal costs encourage both the City and the contractors to settle claims out of court.

According to Mr. Spellberg and Ms. Romaine Baldrige, Secretary of the PUC, there have been no formal records kept of the incidence of false claims or contract cost overruns, or of the aggregate dollar value of such incidents. According to

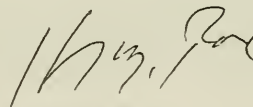
Memo to Economic Vitality & Social Policy Committee
July 12, 1994 Economic Vitality & Social Policy Committee Meeting

both Mr. Spellberg of the City Attorney's Office and Mr. Everett Hintze, Manager of the Construction and Engineering division of the Utilities Engineering Bureau (UEB), it is believed that contractors inflate claims on a regular basis. Due to the fact that most cases are negotiated before formal claims are filed, and few formal claims disputes reach litigation, it is difficult to quantify the scope of the problem or estimate the fiscal impact of the proposed legislation.

However, to provide an example of the possible fiscal implications of the proposed amendment to the Administrative Code, Mr. Spellberg estimates that the Stacy & Witbeck case cost the City over \$100,000 in City Attorney's expenditures. If the proposed amendment (and other amendments suggested by Mr. Spellberg) had been in the Administrative Code at the time of the case, Stacy & Witbeck would have been liable to the City for \$300,000 (three times the cost to the City) plus a civil penalty of up to \$10,000 for each incident of a false claim (Mr. Spellberg reports that there may be multiple claims involved in a single case, resulting in civil penalties in excess of \$10,000), for a total fine of at least \$310,000.

4. The Budget Analyst has been advised that the sponsor who has proposed this ordinance and these hearings requests that these items be continued.

Recommendation: Continue these items at the request of the sponsor.



Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer

Controller
Teresa Serata
Robert Oakes
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST



Louise H. Renne,
City Attorney

MEMORANDUM

DATE: July 6, 1994

TO: Office of the Budget Analyst

FROM: Geoff Spellberg
Deputy City Attorney 554-3954

RE: False Claims Legislation

As the attorney handling the Stacy & Witbeck false claim issue, I have some recommendations regarding the false claims amendment to the Administrative Code.

Judge Cahill recently held that Chapter 6 of the Administrative Code does not provide statutory authority to punish contractors who submit false claims to San Francisco. As such, some of the current provisions need to be amended.

Section 6.45 should be amended in a number of respects. The word "article" should be changed to "Chapter 6" and language added to assure that the penalties of section 6.45 clearly apply to all provisions of Chapter 6. The penalty of a 5 year debarment should be amended to state that the penalty is up to 5 years of debarment.

Most importantly, there must be a section added to Chapter 6 that unequivocally states that it is a violation of Chapter 6 to knowingly submit a false claim and that such violation subjects the contractor to penalties under sections 6.25, 6.45 and 6.56. It must be stated that that section shall be incorporated into every contract entered into between the City and every contractor.

Other amendments are probably needed. I would be happy to work with your staff or the Committee's staff to assure that Chapter 6 is amended to correct the deficiencies that Judge Cahill believes exist.

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/// CALENDAR - ACTIONS TAKEN

/// **REGULAR MEETING
ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO**

TUESDAY, JULY 12, 1994 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS KENNEDY, KAUFMAN, CONROY

ABSENT: SUPERVISOR CONROY - ITEMS 4 - 6

CLERK: GAIL JOHNSON

1. File 214-94-6. Hearing to consider the due process issues as they relate to the procedures used by the Juvenile Probation Commission and their proposed removal of the Chief Probation Officer and whether there has been any violation of the Brown Act or the Sunshine Ordinance. (Supervisors Kennedy, Alioto, Hallinan, Migden)

ACTION: Hearing held. Consideration continued to the Call of the Chair.

2. File 246-94-1. [Old St. Mary's Cathedral] Resolution declaring the City and County of San Francisco's recognition of support of Old St. Mary's Cathedral and all landmarked places of worship that need seismic retrofitting. (Supervisors Hsieh, Alioto)

ACTION: Hearing held. Recommended.

3. File 246-94-2. [Churches, Retrofit Unreinforced Masonry Building] Resolution declaring the City and County of San Francisco's recognition of and support of efforts of churches to raise funds to retrofit unreinforced masonry buildings that are important community assets. (Supervisors Kennedy, Alioto)

ACTION: Hearing held. Recommended.

4. File 97-94-45. [Consultant Contracts, False Claims] Ordinance amending Administrative Code by adding Section 6.57 relating to penalties assessed against contractors for submitting false claims. (Supervisor Conroy)

(FISCAL IMPACT)

ACTION: Consideration continued to July 26, 1994, meeting (at the request of sponsor).

5. File 97-94-46. [False Billings and Claims] Hearing to consider legislation requiring the City to pursue false billings and claims under Government Code Sections 12650-12655 (False Claims Act), to allow for three times the damages and a \$10,000 fine for overbilling and other actions, and to place in all contracts language referring to the False Claims Act and the City policy to pursue all claims under such Code in addition to any other remedies. (Supervisor Conroy)

ACTION: Consideration continued to July 26, 1994, meeting (at the request of sponsor).

6. File 97-94-47. [Consultant Contract Cost Overruns] Hearing to consider the problem in all City departments of consultant contract cost overruns above pre-approved and agreed to amounts and possible amendment to the Administrative Code to provide for the ban of a contractor from doing business with the City for a specified time or fine or both when found to be overbilling the City for services, continuing to bill the City for contractual services over the contract amount prior to written and proper approval for such contract amount increases and requiring the City to place in all contracts for consultants and services such Administrative Code provisions. (Supervisor Conroy)

ACTION: Consideration continued to July 26, 1994, meeting (at the request of sponsor).

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

July 22, 1994 DOCUMENTS DEPT.

SEP 26 2000

SAN FRANCISCO
PUBLIC LIBRARY**TO:** Economic Vitality and Social Policy Committee**FROM:** Budget Analyst**SUBJECT:** July 26, 1994 Economic Vitality and Social Policy Committee MeetingItems 1, 2 and 3 - Files 97-94-45, 97-94-46, and 97-94-47**Note:** These items were continued at the July 12, 1994 Economic Vitality and Social Policy Committee Meeting.

Item: **File 97-94-45:** Ordinance amending Administrative Code by deleting Sections 6.25, 6.45, and 21.24, adding Sections 6.57, 6.58, 6.59, 6.60, 21.24, 21.24-1 and 21.24-2, and amending Sections 6.38, 6.41, 6.42, 6.43, 6.44, 6.46, and 6.52, relating to contract procedures and sanctions against irresponsible contractors.

File 97-94-46: Hearing to consider legislation requiring the City to pursue false billings and claims made by City contractors under California Government Code Section 12650, the False Claims Act, that would hold such contractors liable to the City for three times the damages sustained by the City from the false claim, and a civil penalty of up to \$10,000. Such legislation would require a change to the Administrative Code provision to require the City to place language referring to the False Claims Act in all contracts.

File 97-94-47: Hearing to consider the problem in all City departments of consultant contract cost overruns, and possible amendment to the Administrative Code to provide for the fine or ban of a contractor from doing business with the City for a specified time when found to be overbilling the

City or continuing to bill the City for contractual services over the contract amount prior to written and proper approval, and requiring the City to place such Administrative Code provisions in all contracts for consultants and services.

Description:

The proposed ordinance (File 97-94-45) would amend the San Francisco Administrative Code by deleting Sections 6.25, 6.45, and 21.24, adding Sections 6.57, 6.58, 6.59, 6.60, 21.24, 21.24-1 and 21.24-2, and amending Sections 6.38, 6.41, 6.42, 6.43, 6.44, 6.46, and 6.52, relating to contract procedures and sanctions against irresponsible contractors.

The proposed ordinance contains three types of changes to the Administrative Code: (a) additions to the Code that contain new definitions and actions regarding contract procedures and sanctions; (b) modifications to existing code sections that serve to further define or clarify these sections of the Code; and (c) technical changes that correct unclear language without changing legislative intent.

The proposed additions to the Administrative Code include Sections 6.57, 6.58, 6.59, 6.60, 21.24, 21.24-1 and 21.24-2. These sections as a group provide definitions of the conduct required of a "responsible" bidder, procedures to disqualify or deem a contractor "irresponsible", and sanctions the City can take against such a contractor. Chapter Six of the Administrative Code describes these definitions and procedures in relation to contracts, while Chapter 21 describes these definitions and procedures in relation to purchasing. In the case of contract procedures described in Chapter Six, action may be taken by the head of the department, Commission or Board involved, while in the case of purchasing procedures described in Chapter 21, joint action is taken by the Purchaser and the Controller.

The proposed addition of Section 6.57, which would allow the City to assess a contractor a monetary penalty for filing a false claim with the City, uses essentially the same language as appears in California Government Code Sections 12650 and 12651, which are part of the False Claims Act. Section 6.57 applies to contractors, subcontractors or consultants who commit any of the following acts: (1) knowingly presenting or causing to present to an officer or employee of the City a false claim for payment or approval; (2) knowingly making, using, or causing to be made or used a false record or statement to get a false claim paid or approved by the City; (3) conspiring to defraud the City by getting a false claim allowed or paid by the City; (4) knowingly making, using, or causing to be made or used a false record or statement to conceal, avoid, or

decrease an obligation to pay or transmit money or property to the City; and (5) failing to disclose an inadvertent submission of a false claim to the City of which one is a beneficiary.

Under the proposed Section 6.57, a contractor, subcontractor or consultant that commits any one of the above acts would be liable to the City for three times the amount of damages which the City sustains as a result of that act, including attorney's fees. The contractor, subcontractor or consultant would also be liable to the City for the costs of any civil action brought to recover any of those penalties or damages, and liable to the City for a civil penalty of up to \$10,000 for each false claim. For any act committed by two or more persons, all parties are liable. This section would not apply to any false claims of less than \$500.

The proposed Section 6.57 also requires that every contract performed at the expense of the City and County of San Francisco, either under direct contract, subcontract, subpartnership, day labor, station work, piece work, or any other arrangement, shall contain a clause reciting the above provisions.

The proposed amendment uses the same definitions for "contractor" and "subcontractor" as found in Section 12D.5 of the San Francisco Administrative Code. The term "consultant" is broadly defined to include any person or entity that provides services to the City.

The proposed Section 6.57 defines "claim" as any request or demand by a City contractor, subcontractor or consultant for money, property or services made to any employee, officer or agent of the City. A "claim" as defined in the proposed Section 6.57 also includes any request or demand for money, property or services to any contractor, subcontractor, grantee, or other recipient (whether under contract or not) if any portion of the money, property, or services requested or demanded was issued from or provided by the City.

The term "knowingly", as used in this section, is defined as having actual knowledge, acting in deliberate ignorance or reckless disregard of the truth or falsity of information. According to this definition, proof of specific intent is not required.

The proposed addition of Section 6.58 would allow the head of the department, Board or Commission concerned to declare a

contractor, subcontractor or consultant an irresponsible bidder for violation of any provision in Chapter Six of the Administrative Code, and ban such contractor from working on any public work or improvement for the City and County of San Francisco for a period of up to five years.

The proposed Section 6.59 provides a definition of the conduct required of responsible contractors. It states that the "covenant of good faith and fair dealing" is contained in every City contract, and as such all contractors are required to provide the City with claims, equitable adjustments and contract modifications that are based upon a "good faith, honest calculation of the amount sought". Violation of this section subjects the contractor to penalties set forth in Chapter Six (which include disqualification and monetary penalties).

The proposed Section 6.60 provides procedures for disqualification of irresponsible contractors when charges are brought for violation of Sections 6.57, 6.58, or 6.59 as defined above.

This proposed ordinance would amend the Administrative Code by deleting Sections 6.25, 6.45 and 21.24. Sections 6.25 and 6.45 are essentially replaced by the addition of Sections 6.57 through 6.60 defined above. These proposed sections provide either more clarity or broader definitions of violations than contained in Sections 6.25, 6.45. Section 21.24 is essentially replaced by the proposed Sections 21.24, 21.24-1 and 21.24-2, which are described below.

Section 6.25 currently allows the Controller and the head of the department concerned to ban an irresponsible contractor for one year for failing "to live up to the terms of his contract". Section 6.45 allows the officer, board or commission responsible for the public work in question to declare a contractor an irresponsible bidder for failure to abide by the rules and regulations "herein contained", or for violating the provisions of "this Article", and allows said officer, board or commission to ban the contractor for a period up to five years.

The proposed Sections 6.57 through 6.59 essentially replace Section 6.25 and Section 6.45, providing a broader basis for deeming a contractor "irresponsible" (violation of any rule or regulation in Chapter Six of the Administrative Code), and allows for a longer ban of such contractor (five years versus one year in Section 6.25) from working for the City. Section 6.57 also allows the City to charge a contractor a monetary

BOARD OF SUPERVISORS
BUDGET ANALYST

penalty for any Chapter Six violations. Such a monetary penalty for these violations is not contained in the current Sections 6.25 or 6.45, or any other section in Chapter Six of the present Administrative Code.

Section 21.24 currently allows the City Purchaser and the Controller to declare a contractor irresponsible for failing to "live up to the terms of his...contract", and to ban such contractor from any further City contract for a period of one year. The proposed ordinance would amend the Administrative Code by deleting the existing Section 21.24 and adding the proposed Sections 21.24, 21.24-1 and 21.24-2.

The proposed new Section 21.24 relates to the disqualification of irresponsible contractors. This section allows the Controller and Purchaser to ban an irresponsible contractor or consultant for a period of up to five years. The new Section 21.24 also allows the Controller and the Purchaser to cancel the contract of any such person with no recovery by the contractor or consultant.

The proposed addition of Section 21.24-1 defines the conduct required of responsible contractors. The definition contained herein is the same as in Section 6.59 described above, and subjects a contractor, subcontractor or consultant to penalties set forth in Chapter 21 or in Section 6.57 as defined above for violation of this section.

The proposed addition of Section 21.24-2 provides procedures for disqualification of irresponsible contractors, and the procedure described is the same as the procedure in Section 6.60 discussed above. The only difference is that Section 21.24-2 pertains to violations of the proposed Sections 21.24 and 21.24-1 defined above, where Section 6.60 pertains to violations of Sections 6.57 through 6.59.

The proposed ordinance also makes technical changes in Sections 6.38, 6.41, 6.42, 6.43, 6.44, 6.46, and 6.52, replacing the word "Article" with the word "Chapter". According to Mr. Geoffrey Spellberg of the City Attorney's Office, the term "Article" is an antiquated reference that originated when the predecessor statutes to these sections were contained in former Article Three of the Public Works Code. Chapter Six of the Administrative Code, according to Mr. Spellberg, does not contain any "Article", and he believes the legislative intent in these sections is to refer to Chapter Six.

Comment:

1. This proposed resolution amending the Administrative Code is intended to correct a deficiency in the Administrative

BOARD OF SUPERVISORS
BUDGET ANALYST

Code which has recently prevented the City from penalizing a contractor for filing a false claim. Administrative Code Section 6.45 states that the City may declare a contractor an irresponsible bidder and ban the contractor from performing any work for the City for a period of five years, but a recent court ruling on the Stacy & Witbeck case determined that Section 6.45 did not apply to a contractor that knowingly falsifies a claim. The case of Stacy & Witbeck is described below.

On April 19, 1994 the Public Utilities Commission (PUC) lodged charges against Stacy & Witbeck, Inc. ("Stacy") alleging that Stacy knowingly submitted a false contract claim to the City and County of San Francisco on the Castro Cross-over construction project. A hearing was held before the PUC. On June 6, 1994 the PUC found that Stacy knowingly and intentionally submitted a false claim to the City. The PUC found Stacy an irresponsible contractor under Administrative Code Section 6.45, and therefore banned Stacy from acting as a contractor or subcontractor for the City of San Francisco for a period of five years. The PUC's findings of fact and conclusions of law were issued on June 20, 1994.

The PUC held that Section 6.45 of the Administrative Code permits the PUC to deem a contractor irresponsible for failing to abide by the rules and regulations set forth in Chapter 6 of the Administrative Code. Specifically, Section 6.14 (which provides that a contractor can be compensated by the City for delays caused by the City) was incorporated into the contract, and the PUC held that implicit in Section 6.14 is "the requirement that Stacy make a good faith effort to submit an honest evaluation of its claim". The PUC held that Stacy's knowing submission of a false claim constituted a violation of this good faith effort, and therefore constituted a violation of the "rules and regulations" referred to in Section 6.45. As such, the PUC found Stacy an irresponsible contractor under Section 6.45 of the Administrative Code.

Following the PUC's decision, Stacy & Witbeck moved for and obtained a preliminary injunction against the City and County of San Francisco and the PUC, overturning the PUC's decision. Stacy did not deny that it knowingly filed a false claim in an amount in excess of \$400,000. Stacy argued that the definition of "irresponsible contractor" in Section 6.45 of the Administrative Code did not include submitting a false claim, and therefore the City could not ban Stacy from acting as a contractor or subcontractor for the City.

The California Superior Court, City and County of San Francisco, granted the preliminary injunction and held that "distortions in a claim, no matter how egregious, are not a violation of Section 6.14". The Court continued by disagreeing with the City that the implied covenant of good faith and fair dealing is not one of the "rules and regulations" governed by Section 6.45 of the Administrative Code.

2. Deputy City Attorney Spellberg, who represented the City in the Stacy & Witbeck case, reports that under the Court's ruling, Chapter 6 of the Administrative Code "does not provide statutory authority to punish contractors who submit false claims" to the City. According to Mr. Spellberg, the Administrative Code needs to be amended to reflect the apparent deficiencies identified by the Court, and the proposed amendments contained in this ordinance would correct these deficiencies in the Administrative Code.

3. The Stacy & Witbeck case is the first false claims case that resulted in both a ban of the contractor by the City and a subsequent overturning of this ban by the Court. Although many potential contractors' claims are disputed by the City, most are negotiated before the contractors submit formal claims to the City. Few such claims actually go into litigation, as prohibitive legal costs encourage both the City and the contractors to settle claims out of court.

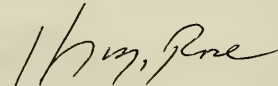
According to Mr. Spellberg and Ms. Romaine Baldrige, Secretary of the PUC, there have been no formal records kept of the incidence of false claims or contract cost overruns, or of the aggregate dollar value of such incidents. According to both Mr. Spellberg of the City Attorney's Office and Mr. Everett Hintze, Manager of the Construction and Engineering division of the Utilities Engineering Bureau (UEB), it is believed that contractors inflate claims on a regular basis. Due to the fact that most cases are negotiated before formal claims are filed, and few formal claims disputes reach litigation, it is difficult to quantify the scope of the problem or estimate the fiscal impact of the proposed legislation.

However, to provide an example of the possible fiscal implications of the proposed amendment to the Administrative Code, Mr. Spellberg estimates that the Stacy & Witbeck case cost the City over \$100,000 in City Attorney's expenditures. If the amendments in this proposed ordinance had been in the Administrative Code at the time of the case, Stacy & Witbeck would have been liable to the City for \$300,000 (three times the cost to the City) plus a civil penalty

Memo to Economic Vitality & Social Policy Committee
July 26, 1994 Economic Vitality & Social Policy Committee Meeting

of up to \$10,000 for each incident of a false claim (Mr. Spellberg reports that there may be multiple claims involved in a single case, resulting in civil penalties in excess of \$10,000), for a total fine of at least \$310,000.

Recommendation: The proposed ordinance is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

JUL 28 1994

CALENDAR - Action Taken

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REGULAR MEETING
ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, JULY 26, 1994 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS KAUFMAN, CONROY

ABSENT: SUPERVISOR KENNEDY

CLERK: GAIL JOHNSON

1. File 97-94-45. [Consultant Contracts, False Claims] Ordinance amending Administrative Code by deleting Sections 6.25, 6.45 and 21.24; adding Sections 6.57, 6.58, 6.59, 6.60, 21.24, 21.24-1, and 21-24-2; and amending Sections 6.38, 6.41, 6.42, 6.43, 6.44, 6.46, 6.52, relating to penalties assessed against contractors, subcontractors and consultants for submitting false claims. (Supervisors Conroy, Maher)

(Consideration continued from 7/12/94)

ACTION: Hearing held. Recommended.

2. File 97-94-46. [False Billings and Claims] Hearing to consider legislation requiring the City to pursue false billings and claims under Government Code Sections 12650-12655 (False Claims Act), to allow for three times the damages and a \$10,000 fine for overbilling and other actions, and to place in all contracts language referring to the False Claims Act and the City policy to pursue all claims under such Code in addition to any other remedies. (Supervisor Conroy)

(Consideration continued from 7/12/94)

ACTION: Hearing held. Continued to the Call of the Chair.

3. File 97-94-47. [Consultant Contract Cost Overruns] Hearing to consider the problem in all City departments of consultant contract cost overruns above pre-approved and agreed to amounts and possible amendment to the Administrative Code to provide for the ban of a contractor from doing business with the City for a specified time or fine or both when found to be overbilling the City for services, continuing to bill the City for contractual services over the contract amount prior to written and proper approval for such contract amount increases and requiring the City to place in all contracts for consultants and services such Administrative Code provisions. (Supervisor Conroy)

(Consideration continued from 7/12/94)

ACTION: Hearing held. Continued to the Call of the Chair.



BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

August 5, 1994

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: August 9, 1994 Economic Vitality and Social Policy Committee Meeting

Item 1 - File 97-94-49

Department: Mayor's Office

Item: Ordinance repealing existing provisions of the San Francisco Administrative Code, Article XIII of Chapter 5, abolishing the Bureau of Small Business and Small Business Advisory Commission, and establishing a Business Advisory Commission within the Mayor's Office of Business and Contracting Services.

Description: The proposed ordinance would repeal the existing Article XIII of Chapter 5 of the San Francisco Administrative Code and add a new Article XIII.

The existing Article XIII of Chapter 5, entitled Bureau For Small Business and Small Business Advisory Commission, established the Mayor's Bureau for Small Business (MBSB), included the MBSB as part of the Mayor's Office of Housing and Economic Development (MOHED) and renamed the MOHED as the Mayor's Office of Housing, Economic Development, and Small Business (MOHEDSB). The purpose of the MBSB is to develop a cooperative and supportive relationship between the small business community and the City. The existing Article XIII of Chapter 5 also created the Small Business Advisory Commission (SBAC) and named the Executive Director of the Mayor's Office of Housing, Economic Development and Small

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Business as the director of the SBAC. The Mayor's Bureau for Small Business is responsible for administrative support for the SBAC.

Presently, there are no members serving on the SBAC, although Article XIII of Chapter 5 of the Administrative Code authorizes the Mayor to appoint 11 members to the SBAC, each of whom are required to be representative of small business. The powers and duties of the SBAC are as follows: 1) Monitor the operation of the Mayor's Bureau for Small Business; 2) Hold public hearings on matters of concern to small business, 3) Review national, State and local legislation which may have an impact on small business, 4) Recommend policy positions to the Board of Supervisors and the Mayor on legislation affecting small business, 5) Cooperate with and make recommendations to other City agencies, commissions and departments which administer and enforce regulations which affect small business, 6) Monitor the growth or decline of small business within the City, and 7) Report annually to the Mayor and the Board of Supervisors on the activities and concerns of the Commission.

The proposed ordinance would amend the Administrative Code by repealing the existing Article XIII of Chapter 5 and adding a new Article XIII. The proposed new Article XIII would establish a Business Advisory Commission to replace both the Mayor's Bureau for Small Business and the SBAC.

The proposed ordinance would establish a 15-member Business Advisory Commission (BAC) in the Mayor's Office of Business and Community Services. The members of the BAC would be nominated by the Mayor and confirmed by the Board of Supervisors. Members of the BAC would be representative of the San Francisco business community. Eight of the 15 BAC representatives would be from businesses with fewer than 50 employees (at least two of these eight members would be representative of businesses located in neighborhood commercial districts), two representatives would be from business with 25-500 employees (see Comment Number 1), two representatives would be from businesses with more than 500 employees and three representatives would be from the general San Francisco business community. The BAC would be broadly representative of the ethnic, racial, gender, age and sexual orientation diversity of the City.

Under the proposed ordinance, the duties and responsibilities of the proposed BAC would include the following: 1) Review national, State, and local legislation which may have an

BOARD OF SUPERVISORS
BUDGET ANALYST

impact on the business community and report recommendations to the Mayor, Board of Supervisors and other appropriate boards and commissions of the City; 2) Provide information, guidance and technical assistance (upon request) to other public agencies and private persons, organizations and institutions engaged in the development and implementation of programs, services and activities that affect the business community; 3) Cooperate with and make written recommendations to the City agencies, boards and commissions and City officials regarding the development and implementation of programs and practices for the purpose of furthering the objectives of this ordinance; 4) Develop and maintain records regarding members of the San Francisco business community who are interested in using their knowledge and professional expertise as members of boards and commission of the City and other public service capacities; and 5) Report to the Mayor and the Board of Supervisors on the activities of the BAC at least every six months.

Comments:

1. The Author's Office of the proposed legislation explains that the overlap regarding selection of representatives to serve on the proposed BAC of a) eight representatives from businesses with fewer than 50 employees and b) two representatives from businesses with 25 to 500 employees is intentional to allow greater flexibility in selecting representatives from the entire business community.

2. The Author's Office reports that it is the policy of San Francisco to provide an economic environment that encourages business attraction, creation, retention and growth in San Francisco and to foster cooperation among City agencies, boards and commissions and the San Francisco business community in order to enhance the City's economic environment. According to Mr. Scott Hauge of the Small Business Network, the proposed BAC would better achieve the above-stated policy than the existing Small Business Advisory Commission currently authorized by Article XIII of Chapter 5 of the Administrative Code because the BAC would better represent the entire business community (including large businesses) than the SBAC.

3. The proposed legislation also provides that the proposed BAC would meet monthly and would be convened by the Chair of the Commission (whom the proposed legislation states should be a member from a business with less than 50 employees). Additionally, the Commission would work in conjunction with, and receive office and staffing support from

the Mayor's Office of Business and Community Services (MOBCS).

4. The proposed change to the Administrative Code will not result in any fiscal impact to the City. According to Ms. Carolyn Tavares of the Mayor's Office of Business and Community Services, (MOBCS), the MOBCS will absorb all of the administrative costs associated with providing office and staffing support to the proposed Business Advisory Commission (BAC). No compensation for BAC members is provided for in the new Article XIII of Chapter 5 of the Administrative Code.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 2 - File 97-94-50

Item: Hearing to consider whether legislation should be adopted to continue the removal of the limitation on the maximum number of hours of sick leave and vacation benefits that can be transferred to an employee for any single catastrophic illness.

Description: Proposition H, approved by the electorate on November 7, 1989, authorizes City employees to transfer their unused accumulated sick leave and vacation benefits to a catastrophically ill City employee. Under Proposition H, the Board of Supervisors is required to establish rules necessary to administer, interpret, and regulate the provisions of such sick leave and vacation benefits transfers.

In order to be deemed catastrophically ill, an employee must have sustained a life-threatening illness or injury and must have already exhausted all of his or her available sick leave and vacation time. In January of 1993, the Board of Supervisors amended Section 16.9-29(g)(5) of the Administrative Code entitled Transfer of Sick Leave and Vacation Credits to Catastrophically Sick Employees to remove the 3,120 hour limit on the maximum number of hours that can be transferred to an employee (from all donors) for any single catastrophic illness. The 3,120 hour limit was removed for a period of 18 months that ends August 10, 1994. This hearing is to consider whether legislation should be adopted to continue the removal of the 3,120 hour limit beyond August 10, 1994.

Comments: 1. The 3,120 hours limit on hours that could be donated to a catastrophically ill employee, based on 40 hours per week, is equivalent to 78 weeks, or 1.5 years of paid leave donated by other City employees.

2. Mr. Al Walker, of the Civil Service Commission, previously reported that the limit of 3,120 hours which can be transferred to a single recipient was based on the need to limit the impact of the program on the City's operations. When sick leave and vacation hours are transferred to a catastrophically ill employee, the employee remains on the City's payroll for a longer period of time than would otherwise be possible without being required to report to work. The department which employs the catastrophically ill employee continues to pay the employee with funds budgeted for the position, but does not receive the benefit of the employee's services. This results in a loss of productivity (if the employee's work is not performed) or a greater workload

BOARD OF SUPERVISORS
BUDGET ANALYST

for other employees (if they assume the work) within the department. Departments are not permitted to fill a position which has been vacated by an employee who is catastrophically ill but who remains on the payroll, unless additional funds are appropriated to the department to immediately fill the position. Therefore, the department can be understaffed for an extended period of time due to the transfer of sick leave and vacation hours to a catastrophically ill employee.

The elimination of the 3,120 hour limit on the number of hours that could be transferred to a single employee imposes an additional burden on City departments, because catastrophically ill employees can receive paid leave for periods longer than 1.5 years and any adverse impacts on the operations of City departments continues for a longer period of time.

According to Mr. Walker, the program to assist catastrophically ill employees was intended to provide temporary financial support for the City's catastrophically ill employees, who may be ineligible for assistance from other sources in the early stages of illness, but who may qualify for such assistance after a longer period of time (some insurance companies require a waiting period before assistance payments begin), such that the extended sick leave and vacation hours donated by City employees would no longer be necessary.

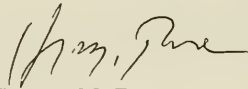
3. Until June, 1992, upon the death, resignation or retirement of a catastrophically ill employee, any unused sick leave or vacation hours which had been transferred to the catastrophically ill employee was eliminated from the City's payroll system, and was not allocated back to the donor or to other catastrophically ill employees. In June, 1992, the Board of Supervisors amended the Administrative Code (File 97-92-24) to provide that, upon the death, resignation, or retirement of a catastrophically ill employee, any outstanding transferred sick leave and vacation hours would be redistributed among other catastrophically ill employees enrolled in the program. Elimination of the 3,120 limit on the number of hours which can be transferred to a single catastrophically ill employee increases the number of unused transferred hours of leave which would be allocated to other catastrophically ill employees, if more than 3,120 hours are donated but not used by the original catastrophically ill employee.

Memo to the Economic Vitality and Social Policy Committee
August 9, 1994 Economic Vitality and Social Policy Committee Meeting

4. Ms. Howie Bogard of the Controller's Office reports that 298 catastrophically ill employees have enrolled in the program since its inception in early 1990. Of these 298 catastrophically ill employees only two such employees have used more than 3,120 hours of sick leave and vacation hours that were transferred to the program. One of these two is now deceased and one is still in the program.

Of the remaining 296 enrollees, 140 catastrophically ill employees have dropped out of the program without reaching the 3,120 limit leaving 156 catastrophically ill employees still enrolled (296 total enrollees less 140 that have dropped out).

5. Because catastrophically ill employees remain on the City payroll, under the Administrative Code these employees continue to accrue their own vacation and sick leave, which must be expended before any transferred hours can be expended.



Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

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ECONOMIC VITALITY & SOCIAL POLICY
COMMITTEE

BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, AUGUST 9, 1994 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS KAUFMAN, CONORY

ABSENT: SUPERVISOR KENNEDY

ACTING CLERK: KAY GULBENGAY

1. File 97-94-49. [Business Advisory Commission] Ordinance amending Administrative Code by repealing Article XIII of Chapter 5 to abolish the Bureau of Small Business and Small Business Advisory Commission and by adding new Article XIII, Section 5.120, to establish a Business Advisory Commission within the Mayor's Office of Business and Community Services. (Supervisor Conroy)

ACTION: Hearing held. Continued to call of the chair.

2. File 97-94-50. [Transfer of Sick Leave and Vacation Benefits] Hearing to consider whether legislation should be adopted to continue the removal of the limitation on the maximum number of hours of sick leave and vacation benefits that can be transferred to an employee for any single catastrophic illness. (Also see File 97-92-62, Ordinance No. 2-93). (Clerk of the Board)

ACTION: Hearing held. Continued to August 23, 1994 meeting pending the introduction of legislation.



BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

August 19, 1994

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AUG 23 1994

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TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst *Recommendations*SUBJECT: August 23, 1994 Economic Vitality and Social Policy Committee MeetingItem 1 - File 97-94-50

Note: This item was continued from the Economic Vitality and Social Policy Committee meeting of August 9, 1994.

Item: Hearing to consider whether legislation should be adopted to continue the removal of the limitation on the maximum number of hours of sick leave and vacation benefits that can be transferred to an employee for any single catastrophic illness.

Description: Proposition H, approved by the electorate on November 7, 1989, authorizes City employees to transfer their unused accumulated sick leave and vacation benefits to a catastrophically ill City employee. Under Proposition H, the Board of Supervisors is required to establish rules necessary to administer, interpret, and regulate the provisions of such sick leave and vacation benefits transfers.

In order to be deemed catastrophically ill, an employee must have sustained a life-threatening illness or injury and must have already exhausted all of his or her available sick leave and vacation time. In January of 1993, the Board of Supervisors amended Section 16.9-29(g)(5) of the Administrative Code entitled Transfer of Sick Leave and Vacation Credits to Catastrophically Sick Employees to remove the 3,120 hour limit on the maximum number of

hours that can be transferred to an employee (from all donors) for any single catastrophic illness. The 3,120 hour limit was removed for a period of 18 months that ends August 10, 1994. This hearing is to consider whether legislation should be adopted to continue the removal of the 3,120 hour limit beyond August 10, 1994.

Comments:

1. The 3,120 hours limit on hours that could be donated to a catastrophically ill employee, based on 40 hours per week, is equivalent to 78 weeks, or 1.5 years of paid leave donated by other City employees.

2. Mr. Al Walker, of the Civil Service Commission, previously reported that the limit of 3,120 hours which can be transferred to a single recipient was based on the need to limit the impact of the program on the City's operations. When sick leave and vacation hours are transferred to a catastrophically ill employee, the employee remains on the City's payroll for a longer period of time than would otherwise be possible without being required to report to work. The department which employs the catastrophically ill employee continues to pay the employee with funds budgeted for the position, but does not receive the benefit of the employee's services. This results in a loss of productivity (if the employee's work is not performed) or a greater workload for other employees (if they assume the work) within the department. Departments are not permitted to fill a position which has been vacated by an employee who is catastrophically ill but who remains on the payroll, unless additional funds are appropriated to the department to immediately fill the position. Therefore, the department can be understaffed for an extended period of time due to the transfer of sick leave and vacation hours to a catastrophically ill employee.

The elimination of the 3,120 hour limit on the number of hours that could be transferred to a single employee imposes an additional burden on City departments, because catastrophically ill employees can receive paid leave for periods longer than 1.5 years and any adverse impacts on the operations of City departments continues for a longer period of time.

According to Mr. Walker, the program to assist catastrophically ill employees was intended to provide temporary financial support for the City's catastrophically ill employees, who may be ineligible for assistance from other sources in the early stages of illness, but who may qualify for such assistance after a longer period of time (some insurance

companies require a waiting period before assistance payments begin), such that the extended sick leave and vacation hours donated by City employees would no longer be necessary.

3. Until June, 1992, upon the death, resignation or retirement of a catastrophically ill employee, any unused sick leave or vacation hours which had been transferred to the catastrophically ill employee was eliminated from the City's payroll system, and was not allocated back to the donor or to other catastrophically ill employees. In June, 1992, the Board of Supervisors amended the Administrative Code (File 97-92-24) to provide that, upon the death, resignation, or retirement of a catastrophically ill employee, any outstanding transferred sick leave and vacation hours would be redistributed among other catastrophically ill employees enrolled in the program. Elimination of the 3,120 limit on the number of hours which can be transferred to a single catastrophically ill employee increases the number of unused transferred hours of leave which would be allocated to other catastrophically ill employees, if more than 3,120 hours are donated but not used by the original catastrophically ill employee.

4. Ms. Howie Bogard of the Controller's Office reports that 298 catastrophically ill employees have enrolled in the program since its inception in early 1990. Of these 298 catastrophically ill employees only two such employees have used more than 3,120 hours of sick leave and vacation hours that were transferred to the program. One of these two is now deceased and one is still in the program.

Of the remaining 296 enrollees, 140 catastrophically ill employees have dropped out of the program without reaching the 3,120 limit leaving 156 catastrophically ill employees still enrolled (296 total enrollees less 140 that have dropped out).

5. Because catastrophically ill employees remain on the City payroll, under the Administrative Code these employees continue to accrue their own vacation and sick leave, which must be expended before any transferred hours can be expended.

6. The City Attorney has prepared a draft ordinance which would extend the removal of the 3,120 hour limit retroactively to August 20, 1994. The draft ordinance would also require the Clerk of the Board to calendar a hearing within 14 months and every 18 months thereafter to consider further legislation to continue the removal of the 3,120 hour limit on sick leave and vacation benefits transfers.

Item 2 - File 107-89-15

Note: This item was continued from the Economic Vitality and Social Policy Committee meeting on March 22, 1994.

Department: Department of Social Services (DSS)

Item: Item 2, File 107-89-15 - This item is a hearing to consider the Department of Social Services' procedures and regulations concerning foster children, including the placement of foster children outside of San Francisco County, and to consider the effects of Senate Bill No. 1177 on the adoption of children.

Description: The Department of Social Services (DSS) reports that it is DSS's policy to place children in homes as close to their own families as possible. However, DSS advises that San Francisco's foster children are placed outside of the County for various reasons as follows:

(1) Placing a child in the most appropriate foster home, based on the child's individual needs, sometimes necessitates placing children outside of San Francisco.

(2) Many of the African American foster families who originally lived in San Francisco have moved out of the City. In such cases, it is often determined to be in the child's best interests to move with the foster family.

(3) DSS uses African American home finding agencies which serve the entire Bay Area and many of their approved homes are located in other Counties.

(4) Placing a child with relatives, which DSS considers a priority, sometimes requires placing the child outside of San Francisco. According to DSS, of the approximately 3,600 children currently placed in the Foster Care Program, 42% reside with relatives, either inside or outside of San Francisco, the remaining 58% are with non-relatives.

Senate Bill 1177 was originally aimed at establishing conditions under which foster parents must be given consideration, along with other potential adoptive families, to become the adoptive parents of a foster child. The bill was drafted in response to a specific case involving a foster family that cared for a child with Down's Syndrome for 1 1/2 years. Children's Home Society (CHS), the agency that was in charge of the adoption proceedings for this specific case, did not consider that foster family when it sought a permanent

BOARD OF SUPERVISORS
BUDGET ANALYST

placement for the child. As a result, the foster family sued CHS.

DSS previously reported, that a "corrected" version of SB 1177 was drafted to be known as Senate Bill 2188 (SB 1177 was withdrawn by the author in favor of the new, "corrected" version, SB 2188). The new SB 2188, specified that the conditions stipulated in this legislation, under which foster parents must be given consideration with respect to becoming adoptive parents, do not pertain to dependent children of juvenile court cases, and since DSS handles only such dependent children of juvenile court cases, SB 2188 does not apply to DSS. SB 2188 was signed into law in 1990.

In November of 1992, the State issued a formal Notice of Non-compliance to the DSS for its failure to comply with State standards in connection with the Department's Foster Care Program. The State's issuance of this Notice of Non-compliance was directly attributable to the DSS's failure to provide the State, as requested, with an acceptable Corrective Action Plan, which addressed issues of non-compliance. With regard to this issue, Ms. Pat Reynolds, DSS Assistant General Manager of the Family and Children's Services Division previously reported on the following: (1) the areas in which the State found the Foster Care Program to be out of compliance, (2) the process implemented by the DSS, in conjunction with the State, for the development of a Corrective Action Plan and (3) the implementation of the Corrective Action Plan and on-going monitoring and follow-up activities.

Comments:

1. The DSS reports that it is the policy of the Department to provide each child with a home that best meets the child's needs. These needs must include the child's racial and ethnic identity, language, religion and cultural heritage of the child and geographic proximity. The DSS advises that first consideration for placement when a child cannot be maintained in the home of their parents, will be the home of a relative. Failing that, according to the DSS, placements shall be sought with foster and adoptive homes, foster family agencies and group homes in that order. Priority will be given to placements in San Francisco in accordance with AB 548 guidelines.
2. The DSS advises that the Placement and Administrative Review Committee (PARC), which meets weekly, is the administrative body responsible for reviewing all cases in which a child has been ordered into non-relative, out-of-home placement. The PARC's standing members include two Social Workers in charge of intake at the Emergency Shelter and identifying appropriate locations for placements respectively, a

Child Welfare Supervisor responsible for licensing of foster care homes, a Senior Child Welfare Supervisor responsible for the Emergency Shelter Intake Unit and a Public Health Nurse. According to the DSS, cases are presented to PARC for review for both initial placement and for subsequent placements of a given child. The DSS advises that the purpose of PARC is to (1) provide an administrative review of all non-relative, out-of-home placements, (2) monitor utilization of placement resources, (3) assist in achieving proper ethnic matching of the children who are being placed and (4) recommend placement facilities. The DSS states that the information gathered by PARC is used for planning and evaluation of trends and changing program needs.

3. Of the approximately 3,719 children in the DSS Foster Care Program, as of March of 1994, the following table, provided by the DSS, outlines the percentage who were placed in San Francisco versus the percentage that were placed outside of San Francisco, by ethnic group:

	<u>Number of Children</u>	<u>Percentage placed in San Francisco</u>	<u>Percentage placed out of County</u>
African-American	2,641	60%	40%
Asian/Pacific Islander	89	69	31
Filipino	38	55	45
Hispanic	449	59	41
Native American	50	32	68
White	417	44	56
Other	<u>35</u>	<u>31</u>	<u>69</u>
Total	3,719	57% (average)	43% (average)

4. The following table, as provided by the DSS, outlines the percentage of the approximately 3,719 children in the DSS Foster Care Program, as of March of 1994, who were placed with relatives (including relative legal guardians), inside or outside of San Francisco, by ethnic group:

	Percentage of all Children in the Foster Care Program Who are Placed with Relatives Inside or Outside of <u>San Francisco</u>
African-American	48%
Asian/Pacific Islander	28
Filipino	24
Hispanic	35
Native American	20
White	27
Other	<u>31</u>
Total Average	43%

5. The following table, as provided by the DSS, shows the percentage breakdown for the approximately 3,719 children in the DSS Foster Program, as of March of 1994, who were in ethnically matched homes inside as well as outside of San Francisco:

	<u>San Francisco</u>	<u>Out-of-County</u>
African-American	95%	85%
Asian/Pacific Islander	50	67
Hispanic	70	68
Native American	25	60
White	76	83

Item 4 - File 7-93-14

Note: This item was continued from the Economic Vitality and Social Policy Committee meeting of May 24, 1994.

Department: Municipal Railway (MUNI)
San Francisco Police Department (SFPD)

Item: Hearing to consider youth crime and safety issues on the Municipal Railway (MUNI).

Description: The San Francisco Police Department (SFPD) provides a MUNI Transit Detail Company, which is responsible for patrolling MUNI lines and services. In FY 1993-94, the MUNI Transit Detail Unit consisted of 33 Police Officers, five Sergeants and one Lieutenant, for a total of 39 employees. The Police Department reports that, as of August 11, 1994, at the direction of the Mayor, the MUNI Transit Detail Company will now consist of 50 Police Officers, six Sergeants, two Lieutenants and one Captain, for a total of 59 employees (See Comment No. 1). According to Captain Hesselroth, the Officer in charge of the MUNI Transit Detail Company, staff are deployed on the basis of need, as determined through the analysis of statistical reports maintained by the Police Department.

These statistical reports have been compiled approximately every three months since December, 1992. The most recent report (See Attachment), dated August 11, 1994, reflects the number of incidents reported for the seven-month period from January 1, 1994 through July 31, 1994. This report reflects data gathered from MUNI's Central Control Division logs, MUNI passenger service reports, the SFPD's Computer Assisted Dispatch System, SFPD Police Reports, MUNI Transit Detail Work Sheets and direct calls from the public.

As reflected in the attached report, incidents occurring aboard MUNI vehicles are categorized according to the number of incident reports (1) per month, (2) per day of the week, (3) per MUNI line, (4) by time of day, (5) by intersection location, (6) by street, and (7) by the type of trouble reported. As shown in the report, the number of trouble reports has averaged approximately 383 per month over the 7-month period, versus 477 during the same seven-month period in 1993, as reported in a previous MUNI Transit Detail Company report. There are also more incidents reported on weekdays than on weekends, with most reported incidents occurring on Fridays. According to the report, the most troubled MUNI lines are the 14-Mission and

BOARD OF SUPERVISORS
BUDGET ANALYST

the 38-Geary. In terms of the time of day, the number of incidents reported reaches a peak between 3 p.m. and 4 p.m. The most troubled intersection in the City is 16th and Mission Streets and the most troubled street is Mission Street. The most frequently reported incidents are (1) juvenile disturbances - 556 reports, (2) assaults on passengers- 435 reports, (3) robberies, pick pockets and other grand thefts - 424 reports, (4) vandalism (excluding graffiti) - 357 reports, (5) graffiti - 349 reports, (6) transfer thefts - 162 reports, and (7) assaults on operators - 132 reports.

Comments:

1. According the Captain Hesselroth, the MUNI Transit Detail Company currently meets the staffing requirements of 59 employees by utilizing existing MUNI Transit Detail staff as well as by borrowing Police Officers from other Police Department units. Captain Hesselroth advises that starting in September of 1994, newly trained Police Officer recruits will replace the borrowed staff. As such, beginning in September 1994, there will be 50 Police Officers, six Sergeants, two Lieutenants and one Captain permanently assigned to the MUNI Transit Detail Company.

2. Captain Hesselroth reports that, given the higher number of incidents reported in the afternoons, between 40 and 45 uniformed Police Officers of the 50 Police Officers in the MUNI Transit Detail Company are deployed between the hours of 10 a.m. and 6 p.m. In addition, four Police Officers are deployed between 6 a.m. and 10 a.m. on the MUNI LRV lines. Approximately seven Police Officers are deployed between 5 p.m. and 1 a.m. Also, six to seven plainclothes Police Officers are deployed between 6 p.m. and 11 p.m. and are paid overtime. According to Captain Hesselroth, starting in September 1994, there will be one shift working from 10 a.m. until 6 p.m. and one shift working from either 2 p.m. until 10 p.m. or from 4 p.m. until midnight, in addition to an as of yet undetermined number of Police Officers who will be deployed in the evenings and paid overtime.

3. Lieutenant Fortner of the SFPD reports that the number of incidents reported by the SFPD's MUNI Transit Detail Unit and by MUNI differ because MUNI records incidents in terms of disruptions in service. In addition, Lieutenant Fortner advises that the incident reports maintained by the SFPD's MUNI Transit Detail Unit do not reflect the total number of incidents that occur aboard MUNI vehicles, as many incidents are left unreported.

BOARD OF SUPERVISORS
BUDGET ANALYST

William D. Coniglio

Harvey M. Rose

For

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

The below data was gathered from Muni Central Control Logs, Muni Passenger Service Reports, S.F.P.D. Computer Assisted Dispatch System, S.F.P.D. Incident Reports, Muni Transit Detail Work Sheets and direct calls to the Muni Transit Company from a variety of sources. The time period covered is from January 1, 1994 through August 11, 1994.

Number of Trouble Reports per Month

January	419
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Number of Trouble Reports by Line

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38	136
15	108
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9	91
48	91
44	79
M	73
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22	68
24	62
54	51
71	44
N	43

Trouble Reports by Time of Day

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07:00 - 08:00	77
08:00 - 09:00	111
09:00 - 10:00	80
10:00 - 11:00	100
11:00 - 12:00	99
12:00 - 13:00	137
13:00 - 14:00	156
14:00 - 15:00	196
15:00 - 16:00	359
16:00 - 17:00	249
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Trouble Reports by Intersection Location

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Mission & 24th Street	35
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Mission & 30th Street	20
5th Street & Market	19
Mission & Silver	18
Castro & Market	12
Geneva & Mission	11
Army & Mission	10

Trouble Reports by Street

Mission	433
Market	223
Geary	149
16th	116
Vnn Ness	108
3rd	129
24th	99
Fillmore	88
Church	59

Trouble Reports by Type

Assaults on Passengers	435
Assaults on Operators	132
Robberies	111
Pick Pocket	59
Other grand thefts(includes purse snatches)	254
Juveniles involved, all incident types	556
Graffiti	349
Other vandalism (including windows)	357
Intoxicated Passengers	99
Mentally Disturbed Passengers	19
Transfer Theft	162
Fare Evasions	74
Panic Alarms	57
Incidents Involving Guns	17
Gunshots on or into coach	5
Incidents involving knives	19
TOTAL:	2711

CALENDAR

ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE BOARD OF SUPERVISORS CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, AUGUST 23, 1994 - 2:00 P.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS KENNEDY, KAUFMAN, CONROY

CLERK: GAIL JOHNSON

1. File 97-94-50. [Transfer of Sick Leave and Vacation Benefits] Hearing to consider whether legislation should be adopted to continue the removal of the limitation on the maximum number of hours of sick leave and vacation benefits that can be transferred to an employee for any single catastrophic illness. (Also see File 97-92-62, Ordinance No. 2-93). (Clerk of the Board)
(Continued from 8/9/94)

ACTION: Hearing held. Ordinance, as presented by Supervisor Kaufman, prepared in and reported out of Committee. Entitled: "[Transfer of Sick Leave and Vacation Benefits] Amending the Administrative Code by amending Section 16.9-29 thereof, relating to the transfer of sick leave and vacation benefits to catastrophically ill employees, by extending for an additional eighteen months the sunset clause on the elimination of the maximum number of hours that can be transferred to an employee for any single catastrophic illness, retroactive to August 11, 1994."

2. File 107-89-15. Hearing to consider procedures and regulations concerning foster children, including placement of children outside of San Francisco and ramifications of Senate Bill 1177 regarding adoption of children. (Supervisors Kennedy, Alioto)
(Continued from 3/22/94)

ACTION: Hearing held. Consideration continued to September 27, 1994, meeting.

3. File 176-93-8. [African-American Community, Unemployment Impact] Hearing to consider unemployment in the African-American community and how it impacts the community and individuals. (Supervisor Kennedy)
(Continued from 12/14/93)

ACTION: Hearing held. Consideration continued to the Call of the Chair.

4. File 7-93-14. Hearing to consider youth crime and safety issues on the Municipal Railway. (Supervisor Conroy)
(Continued from 5/24/94)

ACTION: Hearing held. Consideration continued to September 13, 1994, meeting.

File 7-93-14.2. Resolution, as presented by Supervisor Conroy, prepared in Committee. Entitled: "[Muni Crimes - District Attorney] Urging the District Attorney to prioritize Muni-related cases where violent crimes occur on Muni vehicles, at transfer points, bus stops, and at railway stations." Consideration continued to September 13, 1994, meeting.

File 7-93-14.3. Resolution, as presented by Supervisor Conroy, prepared in Committee. Entitled: "[State Legislation] Urging the Mayor to urge the City's lobbyist in Sacramento to urge legislators to look toward amending Penal Code Section 241.3 to include other serious crimes besides assaults and to expand the legislation to include bus stops, transfer points, and railway stations in addition to transportation vehicles." Consideration continued to September 13, 1994, meeting.

File 7-93-14.4. Resolution, as presented by Supervisor Conroy, prepared in Committee. Entitled: "[Police Response Times on Muni] Urging the Mayor to urge the Police Department and the Municipal Railway to work together and report to the Board of Supervisors on the status of efforts to increase the response times to crime incidents which occur on the Municipal Railway." Consideration continued to September 13, 1994, meeting.

File 7-93-14.5. Resolution, as presented by Supervisor Conroy, prepared in Committee. Entitled: "[Muni Safety Communications] Urging the Mayor to urge the Municipal Railway and the Police Department to work together and report to the Board of Supervisors on the status of efforts to improve the emergency communication system on the Municipal Railway." Consideration continued to September 13, 1994, meeting.

File 7-93-14.6. Resolution, as presented by Supervisor Conroy, prepared in Committee. Entitled: "[Muni Safety Information Program] Endorsing and commending the Municipal Railway's 'Kids Ride Safe on Muni' Program." Consideration continued to September 13, 1994, meeting.

File 7-93-14.7. Resolution, as presented by Supervisor Conroy, prepared in Committee. Entitled: "[Muni Community Outreach] Urging the Mayor to urge the Municipal Railway to prepare a plan to combat the ongoing perception of a crime-infested public transportation system." Consideration continued to September 13, 1994, meeting.

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OF SAN FRANCISCO

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September 9, 1994

TO: // Economic Vitality and Social Policy Committee
FROM: // Budget Analyst *Recommendation*
SUBJECT: September 13, 1994 Economic Vitality and Social Policy Committee Meeting

Items 1 through 7 - Files 7-93-14, 7-93-14.2, 7-93-14.3, 7-93-14.4, 7-93-14.5, 7-93-14.6 and 7-93-14.7

Note: These items were continued from the Economic Vitality and Social Policy Committee meeting of August 23, 1994.

Departments: Municipal Railway (MUNI)
San Francisco Police Department (SFPD)
District Attorney
Mayor's Office

Items: Item 1, 7-93-14 - Hearing to consider youth crime and safety issues on the Municipal Railway (MUNI).

Item 2, 7-93-14.2 - Resolution urging the District Attorney to prioritize Muni-related cases where violent crimes occur on Muni vehicles, at transfer points, bus stops and at railway stations.

Item 3, 7-93-14.3 - Resolution urging the Mayor to urge the City's lobbyist in Sacramento to urge legislators to look toward amending Penal Code Section 241.3 to include other serious crimes besides assaults and to expand the legislation to include bus stops, transfer points, and railway stations in addition to transportation vehicles.

Memo to Economic Vitality and Social Policy Committee
September 13, 1994 Economic Vitality and Social Policy Committee

Item 4, 7-93-14.4 - Resolution urging the Mayor to urge the Police Department and the Municipal Railway to work together and report to the Board of Supervisors on the status of efforts to increase the response times to crime incidents which occur on the Municipal Railway.

Item 5, 7-93-14.5 - Resolution urging the Mayor to urge the Municipal Railway and the Police Department to work together and report to the Board of Supervisors on the status of efforts to improve the emergency communication system on the Municipal Railway.

Item 6, 7-93-14.6 - Resolution endorsing and commending the Municipal Railway's "Kids Ride Safe on Muni" Program.

Item 7, 7-93-14.7 - Resolution urging the Mayor to urge the Municipal Railway to prepare a plan to combat the ongoing perception of a crime-infested public transportation system.

Description:

File 7-93-14

The San Francisco Police Department (SFPD) provides a MUNI Transit Detail Company, which is responsible for patrolling MUNI lines and services. In FY 1993-94, the MUNI Transit Detail Unit consisted of 33 Police Officers, five Sergeants and one Lieutenant, for a total of 39 employees. The Police Department reports that, as of August 11, 1994, at the direction of the Mayor, the MUNI Transit Detail Company will now consist of 50 Police Officers, six Sergeants, two Lieutenants and one Captain, for a total of 59 employees (See Comment No. 1). According to Captain Hesselroth, the Officer in charge of the MUNI Transit Detail Company, staff are deployed on the basis of need, as determined through the analysis of statistical reports maintained by the Police Department.

These statistical reports have been compiled approximately every three months since December, 1992. The most recent report (See Attachment), dated August 11, 1994, reflects the number of incidents reported for the seven-month period from January 1, 1994 through July 31, 1994. This report reflects data gathered from MUNI's Central Control Division logs, MUNI passenger service reports, the SFPD's Computer Assisted Dispatch System, SFPD Police Reports, MUNI Transit Detail Work Sheets and direct calls from the public.

As reflected in the attached report, incidents occurring aboard MUNI vehicles are categorized according to the number of incident reports (1) per month, (2) per day of the week, (3) per MUNI line, (4) by time of day, (5) by intersection location, (6) by street, and (7) by the type of trouble reported. As shown in the report, the number of trouble reports has averaged approximately 383 per month over the 7-month period, versus 477 during the same seven-month period in 1993, as reported in a previous MUNI Transit Detail Company report. There are also more incidents reported on weekdays than on weekends, with most reported incidents occurring on Fridays. According to the report, the most troubled MUNI lines are the 14-Mission and the 38-Geary. In terms of the time of day, the number of incidents reported reaches a peak between 3 p.m. and 4 p.m. The most troubled intersection in the City is 16th and Mission Streets and the most troubled street is Mission Street. The most frequently reported incidents are (1) juvenile disturbances - 556 reports, (2) assaults on passengers - 435 reports, (3) robberies, pick pockets and other grand thefts - 424 reports, (4) vandalism (excluding graffiti) - 357 reports, (5) graffiti - 349 reports, (6) transfer thefts - 162 reports, and (7) assaults on operators - 132 reports.

File 7-93-14.2

A representative of the District Attorney's Office will attend the Economic Vitality and Social Policy Committee on September 13, 1994 and will be available to answer questions the Committee may have on this proposed legislation.

File 7-93-14.3

Ms. Margaret Kisliuk the City's lobbyist in Sacramento advises that there are currently no bills pending with respect to Penal Code Section 241.3. Ms. Kislink adds that if a bill is sponsored in connection with Section 241.3, the earliest it

could be brought before the State Legislature is January of 1995.

Files 7-93-14.4 and 7-93-14.5

Ms. Kathleen Gilbert, the Deputy for MUNI's Transportation Operations Division reports that MUNI has been coordinating its efforts on an ongoing basis with the Police Department to increase the response times to crime incidents which occur on the Muni. Ms. Gilbert states that MUNI is open to expanding its coordination with the Police Department to include efforts aimed at improving the emergency communication system on the Muni.

File 7-93-14.6

The "Kids Ride Safe on Muni" Program is a program linking MUNI, the schools, parents, riders and the San Francisco Police Department Project SAFE. It is a comprehensive program to educate riders on safety awareness, and to increase rider communication with the MUNI and Transit Police. Its purpose is to prevent violent activities and criminal vandalism on board MUNI vehicles and at bus stops and to pinpoint areas needing remediation.

Ms. Gilbert advises that under this program (1) cards and handouts have been published on how to report troubled MUNI buses and staying safe on board buses and trains, (2) an anonymous parent donor has provided funding to print 100,000 "Kids Ride Safe on Muni" brochures and to place safety related information on 900 vehicles and (3) a Police Department video which will feature both Transit Police and Muni operators stressing safety on board buses and trains is targeted to be shown at the City's secondary schools. Ms. Gilbert adds that a project entitled "Adopt A Line", which is planned for the future, would involve citizens (as in neighborhood watch groups organized by the Police Department) who would regularly ride buses and report trouble spots to Transit Police and MUNI.

File 7-93-14.7

Ms. Gilbert reports that MUNI recently conducted a survey regarding crime and safety on Muni transportation. According to Ms. Gilbert, the 762 survey respondents placed crime and safety among the top three issues facing MUNI. Ms. Gilbert advises that MUNI has incorporated plans aimed at combating the ongoing perception of a crime-infested

public transportation system in its Departmental Strategic Plan.

Comments:

1. According to Captain Hesselroth, the MUNI Transit Detail Company currently meets the staffing requirements of 59 employees by utilizing existing MUNI Transit Detail staff as well as by borrowing Police Officers from other Police Department units. Captain Hesselroth advises that starting in September of 1994, newly trained Police Officer recruits will replace the borrowed staff. As such, beginning in September 1994, there will be 50 Police Officers, six Sergeants, two Lieutenants and one Captain permanently assigned to the MUNI Transit Detail Company.

2. Captain Hesselroth reports that, given the higher number of incidents reported in the afternoons, between 40 and 45 uniformed Police Officers of the 50 Police Officers in the MUNI Transit Detail Company are deployed between the hours of 10 a.m. and 6 p.m. In addition, four Police Officers are deployed between 6 a.m. and 10 a.m. on the MUNI LRV lines. Approximately seven Police Officers are deployed between 5 p.m. and 1 a.m. Also, six to seven plainclothes Police Officers are deployed between 6 p.m. and 11 p.m. and are paid overtime. According to Captain Hesselroth, starting in September 1994, there will be one shift working from 10 a.m. until 6 p.m. and one shift working from either 2 p.m. until 10 p.m. or from 4 p.m. until midnight, in addition to an as of yet undetermined number of Police Officers who will be deployed in the evenings and paid overtime.

3. Lieutenant Fortner of the SFPD reports that the number of incidents reported by the SFPD's MUNI Transit Detail Unit and by MUNI differ because MUNI records incidents in terms of disruptions in service. In addition, Lieutenant Fortner advises that the incident reports maintained by the SFPD's MUNI Transit Detail Unit do not reflect the total number of incidents that occur aboard MUNI vehicles, as many incidents are left unreported.

Recommendation: Approval of the proposed resolutions are policy matters for the Board of Supervisors.

The below data was gathered from Muni Central Control Logs, Muni Passenger Service Reports, S.F.P.D. Computer Assisted Dispatch System, S.F.P.D. Incident Reports, Muni Transit Detail Work Sheets and direct calls to the Muni Transit Company from a variety of sources. The time period covered is from January 1, 1994 through August 11, 1994.

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Geneva & Mission	11
Army & Mission	10

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Church	59

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TOTAL:	2711

Memo to Economic Vitality & Social Policy Committee
September 13, 1994 Economic Vitality & Social Policy Committee Meeting

Item 8 - File 12-94-31

- Item:** Resolution opposing Assembly Constitutional Amendment (ACA) 47, which will eliminate MBE/WBE programs relating to the operation of the State's system of public employment, public education and public contracting.
- Description:** ACA 47 would prohibit the State or any of its political subdivisions from using race, sex, color, ethnicity, or national origin as a criterion for either discriminating against, or granting preferential treatment to, any individual or group in the operation of the State's system of public employment, public education, or public contracting.
- Comments:**
1. Assemblyman John Burton's Office advises that the State Legislature's Assembly Judiciary Committee voted against moving ACA 47 out of the Committee. As such, according to Assemblyman Burton's Office, no further action will be taken by the State Legislature on this amendment in 1994.
 2. Mr. Scott Emblidge of the City Attorney's Office advises that approval of ACA 47 could potentially restrict or place limitations on the City's affirmative action programs.
- Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Memo to Economic Vitality & Social Policy Committee
September 13, 1994 Economic Vitality & Social Policy Committee Meeting

Item 9 File 176-94-6

Item: Resolution warning Merrill Lynch, and its subsidiary, Pony Express Courier Corporation, that they (a) must observe the Securities and Exchange Commission (SEC) ban on soliciting municipal finance contracts from politicians if contributions have been made to their campaigns within the past two years, and (b) that they must observe labor laws prohibiting unfair labor practices, or forfeit their right to do business with the City of San Francisco.

Description: This proposed resolution serves as warning to Merrill Lynch, and its subsidiary Pony Express Courier Corporation, that failure to comply with: 1) SEC regulations barring Wall Street investment houses from seeking municipal finance contracts from politicians whose campaigns they have contributed to in the past two years, and 2) fair labor practices, will jeopardize their right to do business with the City of San Francisco.

Mr. Matthew Kreps, Statistics Editor for the Bond Buyer, a financial trade publication, indicates that statistics compiled by the Bond Buyer/ Securities Data Corporation currently rank Merrill Lynch among the top ten underwriters of long-term public debt in the nation. However, the City of San Francisco currently has no direct contracts with either Merrill Lynch or its subsidiary, the Pony Express Courier Corporation, for debt underwriting services.

The City selects underwriters for debt issuance through a competitive process. The investment house selected as lead underwriter through this process, sets up a partnership comprised of several investment banking houses. Although as noted above, Merrill Lynch has no contracts directly with the City, Merrill Lynch has been a member of the winning investment house's partnership, for financing General Obligation and Revenue Bonds for the City, since 1987. Within the partnership, a senior manager is selected to track all transactions and assume the majority of the underwriting liability for the bond issuances. It is not uncommon for the position of senior manager to rotate through the members of the partnership if the debt is issued in several parts. According to Ms. Laura Wagner-Lockwood of the Chief Administrative Officer's Office, Merrill Lynch has served as senior or co-senior manager ten times for issuances of San Francisco bonds since 1987.

Ms. Wagner-Lockwood reports that as a member of the partnership, Merrill Lynch has served in the capacity of co-senior manager on five occasions with Bank of America (BoFA) as its associate. The amount of debt financed on these five occasions totals \$436,000,000. Merrill Lynch has also served as senior manager on five occasions. The amount of debt financed with Merrill Lynch as the senior manager totals \$510,574,980.

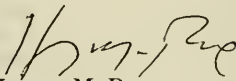
Comment:

1. The proposed resolution states that Merrill Lynch activities around the country have resulted in an investigation by the U. S. Attorney's Office and the SEC, and that Merrill Lynch has been barred from future lead underwriter's roles by the State of Massachusetts for failure to disclose conflicts of interest and accepting inside information that breached the fiduciary responsibility owed the clients.

2. Ms. Wagner-Lockwood indicates that Merrill Lynch and BoFA frequently operate in alliance as senior manager on bond issuances for the City. If Merrill Lynch is barred from doing business with the City, BoFA will need to make a determination regarding the effect this action would have on its relationship with Merrill Lynch.

3. Ms. Julia TenEyck of the City Attorney's Office advised that the City Attorney's Office is presently investigating issues regarding the labor practices of Merrill Lynch and its subsidiary, Pony Express Courier Corporation.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.


Harvey M. Rose

cc: Supervisor Kennedy	Supervisor Migden
Supervisor Kaufman	Supervisor Shelley
Supervisor Conroy	Clerk of the Board
President Alioto	Chief Administrative Officer
Supervisor Bierman	Controller
Supervisor Hallinan	Teresa Serata
Supervisor Hsieh	Robert Oakes
Supervisor Leal	Ted Lakey
Supervisor Maher	

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ECONOMIC VITALITY & SOCIAL POLICY
COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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TUESDAY, SEPTEMBER 13, 1994 - 2:00 P.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS KENNEDY, KAUFMAN, CONROY

CLERK: GAIL JOHNSON

1. File 7-93-14. [Youth Crime and Safety Issues on Municipal Railway] Hearing to consider youth crime and safety issues on the Municipal Railway. (Supervisor Conroy)
(Continued from 8/23/94)

ACTION: Hearing held. Consideration continued to the Call of the Chair.

2. File 7-93-14.2. [Muni Crimes - District Attorney] Resolution urging the District Attorney to prioritize Muni-related cases where violent crimes occur on Muni vehicles, at transfer points, bus stops, and at railway stations. (Supervisor Conroy)
(Continued from 8/23/94)

ACTION: Hearing held. Amended by adding the following "Whereas" clause:

"WHEREAS, Penal Code Section 243.3 allows for the increase to a felony any battery with injury which occurs to a passenger or operator on a transit vehicle; and,"

Recommended as amended.

3. File 7-93-14.3. [State Legislation] Resolution urging the Mayor to urge the City's lobbyist in Sacramento to urge legislators to look toward amending Penal Code Section 241.3 to include other serious crimes besides assaults and to expand the legislation to include bus stops, transfer points, and railway stations in addition to transportation vehicles. (Supervisor Conroy)
(Continued from 8/23/94)

ACTION: Hearing held. Amendment of the Whole prepared in Committee. Recommended as amended. New title: "[State Legislation] Resolution urging the Mayor to urge the City's lobbyist in Sacramento to urge our legislators and those representing other cities and counties to look toward possibly expanding Penal Code Section 241.3 to include other serious crimes besides assaults and to expand Penal Code Section 241.1 and Section 243.3 to include bus stops, transfer points, and railway stations in addition to transportation vehicles, and to pursue other transit safety measures to tackle mass-transit crime problems."

4. File 7-93-14.4. [Police Response Times on Muni] Resolution urging the Mayor to urge the Police Department and the Municipal Railway to work together and report to the Board of Supervisors on the status of efforts to increase the response times to crime incidents which occur on the Municipal Railway. (Supervisor Conroy)
(Continued from 8/23/94)

ACTION: Hearing held. Amended on page 1, line 4, and on page 2, line 5, by replacing "increase" with "improve". Recommended as amended. New title: "[Police Response Times on Muni] Resolution urging the Mayor to urge the Police Department and the Municipal Railway to work together and report to the Board of Supervisors on the status of efforts to improve the response times to crime incidents which occur on the Municipal Railway."

5. File 7-93-14.5. [Muni Safety Communications] Resolution urging the Mayor to urge the Municipal Railway and the Police Department to work together and report to the Board of Supervisors on the status of efforts to improve the emergency communication system on the Municipal Railway. (Supervisor Conroy)
(Continued from 8/23/94)

ACTION: Hearing held. Recommended.

6. File 7-93-14.6. [Muni Safety Information Program] Resolution endorsing and commending the Municipal Railway's "Kids Ride Safe on Muni" Program. (Supervisor Conroy)
(Continued from 8/23/94)

ACTION: Hearing held. Recommended.

7. File 7-93-14.7. [Muni Community Outreach] Resolution urging the Mayor to urge the Municipal Railway to prepare a plan to combat the ongoing perception of a crime-infested public transportation system. (Supervisor Conroy)
(Continued from 8/23/94)

ACTION: Hearing held. Recommended.

8. File 12-94-31. [ACA 47, Elimination of MBE/WBE Programs] Resolution opposing Assembly Constitutional Amendment 47 which will eliminate MBE/WBE programs relating to the operation of the State's system of public employment, public education and public contracting. (Supervisors Shelley, Leal, Migden, Kennedy, Alioto, Bierman, Hallinan)

ACTION: Hearing held. Amendment of the Whole bearing same title, as presented by Supervisor Shelley, adopted. Recommended as amended.

9. File 176-94-6. [Merrill Lynch and Company] Resolution warning Merrill Lynch and Pony Express that it must observe Securities and Exchange Commission ban and labor laws or forfeit its right to do business with the City of San Francisco. (Supervisors Maher, Shelley)

ACTION: Hearing held. Consideration continued to September 27, 1994, meeting.

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BUDGET ANALYST

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September 23, 1994

TO: Economic Vitality and Social Policy Committee
FROM: Budget Analyst
SUBJECT: September 27, 1994 Economic Vitality and Social Policy Committee Meeting

Item 2 - File 107-89-15

Note: This item was continued from the Economic Vitality and Social Policy Committee meeting on August 23, 1994.

Department: Department of Social Services (DSS)

Item: This item is a hearing to consider the Department of Social Services' procedures and regulations concerning foster children, including the placement of foster children outside of San Francisco County, and to consider the effects of Senate Bill No. 1177 on the adoption of children.

Description: The Department of Social Services (DSS) reports that it is DSS's policy to place children in homes as close to their own families as possible. However, DSS advises that San Francisco's foster children are placed outside of the County for various reasons as follows:

(1) Placing a child in the most appropriate foster home, based on the child's individual needs, sometimes necessitates placing children outside of San Francisco.

(2) Many of the African American foster families who originally lived in San Francisco have moved out of the

City. In such cases, it is often determined to be in the child's best interests to move with the foster family.

(3) DSS uses African American home finding agencies which serve the entire Bay Area and many of their approved homes are located in other Counties.

(4) Placing a child with relatives, which DSS considers a priority, sometimes requires placing the child outside of San Francisco. According to DSS, of the approximately 3,600 children currently placed in the Foster Care Program, 42% reside with relatives, either inside or outside of San Francisco, the remaining 58% are with non-relatives.

Senate Bill 1177 was originally aimed at establishing conditions under which foster parents must be given consideration, along with other potential adoptive families, to become the adoptive parents of a foster child. The bill was drafted in response to a specific case involving a foster family that cared for a child with Down's Syndrome for 1 1/2 years. Children's Home Society (CHS), the agency that was in charge of the adoption proceedings for this specific case, did not consider that foster family when it sought a permanent placement for the child. As a result, the foster family sued CHS.

DSS previously reported, that a "corrected" version of SB 1177 was drafted to be known as Senate Bill 2188 (SB 1177 was withdrawn by the author in favor of the new, "corrected" version, SB 2188). The new SB 2188, specified that the conditions stipulated in this legislation, under which foster parents must be given consideration with respect to becoming adoptive parents, do not pertain to dependent children of juvenile court cases, and since DSS handles only such dependent children of juvenile court cases, SB 2188 does not apply to DSS. SB 2188 was signed into law in 1990.

In November of 1992, the State issued a formal Notice of Non-compliance to the DSS for its failure to comply with State standards in connection with the Department's Foster Care Program. The State's issuance of this Notice of Non-compliance was directly attributable to the DSS's failure to provide the State, as requested, with an acceptable Corrective Action Plan, which addressed issues of non-compliance. With regard to this issue, Ms. Pat Reynolds, DSS Assistant General Manager of the Family and Children's Services Division previously reported on the following: (1) the areas in which the State found the Foster Care Program to be out of compliance, (2) the process implemented by the DSS, in conjunction with the

State, for the development of a Corrective Action Plan and (3) the implementation of the Corrective Action Plan and on-going monitoring and follow-up activities.

Comments:

1. The DSS reports that it is the policy of the Department to provide each child with a home that best meets the child's needs. These needs must include the child's racial and ethnic identity, language, religion and cultural heritage of the child and geographic proximity. The DSS advises that first consideration for placement when a child cannot be maintained in the home of their parents, will be the home of a relative. Failing that, according to the DSS, placements shall be sought with foster and adoptive homes, foster family agencies and group homes in that order. Priority will be given to placements in San Francisco in accordance with AB 548 guidelines.

2. The DSS advises that the Placement and Administrative Review Committee (PARC), which meets weekly, is the administrative body responsible for reviewing all cases in which a child has been ordered into non-relative, out-of-home placement. The PARC's standing members include two Social Workers in charge of intake at the Emergency Shelter and identifying appropriate locations for placements respectively, a Child Welfare Supervisor responsible for licensing of foster care homes, a Senior Child Welfare Supervisor responsible for the Emergency Shelter Intake Unit and a Public Health Nurse. According to the DSS, cases are presented to PARC for review for both initial placement and for subsequent placements of a given child. The DSS advises that the purpose of PARC is to (1) provide an administrative review of all non-relative, out-of-home placements, (2) monitor utilization of placement resources, (3) assist in achieving proper ethnic matching of the children who are being placed and (4) recommend placement facilities. The DSS states that the information gathered by PARC is used for planning and evaluation of trends and changing program needs.

3. According to DSS, as of September, there are a total of 4,077 children receiving services. Of those children, 3,320 (81%) are currently in out-of-home placement. The following table, provided by DSS, indicates the percentage breakdown by ethnicity for DSS children receiving services both in-home and out-of-home placement:

<u>Ethnicity</u>	<u>% of Total Children</u>
African-American	71.4%
Asian/Pacific Islander	2.3%
Hispanic	14%
Native American	1%
White	11.3%

4. The following table, as provided by DSS, indicates the percentage breakdown for DSS children in out-of-home placement with relatives both inside and outside of San Francisco as of September of 1994:

<u>Ethnicity</u>	<u>% In-County w/ relatives</u>	<u>% Out -f-County w/ relatives</u>
African-American	57.4%	52.2%
Asian/Pacific Islander	32%	87%
Hispanic	56.3%	44%
Native American	44%	38%
White	34%	24%

5. The following table, as provided by DSS, indicates the percentage breakdown for DSS children in foster care in ethnically matched homes inside as well as outside of San Francisco as of September of 1994:

<u>Ethnicity</u>	<u>In-County</u>	<u>Out-of-County</u>
African-American	95%	85%
Asian/Pacific Islander	32%	87%
Hispanic	71.5%	76%
Native American	44%	62%
White	76%	93%

6. The following table, as provided by DSS, indicates the percentage of children in matched placements in or out of the county by ethnicity:

African-American	93%
Asian/Pacific Islander	44%
Hispanic	74%
Native American	56%
White	87%

Item 3 - File 287-94-1

Item: Hearing to consider the cultural resources and social services available for Native Americans in San Francisco.

Description: ***Demographic Data.*** The City and County of San Francisco has a Native American population of approximately 3,456, according to the 1990 U.S. Census. Although tribal population data is not available on a county-by-county basis, approximately 37% of Native Americans in California are from the 130 California tribes. Of the tribes not indigenous to California, an additional 18% of Native Americans living in California are Cherokee, while approximately 4% each are Navajo, Choctaw and Apache. Other tribes represented in California include: Chippewa, Lakota/Dakota, Pueblo, Iroquois and Creek.

Economic Status. Native Americans in the Bay Area have the second lowest mean household income of any ethnic group. According to 1990 census data for San Francisco, San Mateo, Alameda, and Contra Costa counties, the mean household income for Native Americans was approximately \$39,928 as compared to \$55,116 for Whites, or nearly 28% lower. The unemployment rate for Native Americans in San Francisco was 9.6% in 1990 (as compared to the California rate of 11.1%), and the poverty rate was 21%.

Educational Status. In addition to lower economic status, the Native American community has attained lower levels of education than many other ethnic groups. Although statistics on high school dropout rates in the State and the County vary due to inconsistencies in data collection methods, the dropout rate for Native Americans is consistently nearly twice the average dropout rate for all races.

Health Status. Despite the efforts of Indian Health Service-funded programs, Native Americans still experience higher mortality rates than the rest of the population. Approximately 11% of deaths in the U.S. occur before the age of 45 years, while 33% of all Native American deaths occur before the age of 45 years. A 1992 health study revealed that age-adjusted mortality rates for Native Americans are much higher than the overall population for the following causes of death:

Tuberculosis:	480% higher
Alcoholism:	388% higher
Accidents:	185% higher

Diabetes Mellitus:	169% higher
Homicide	91% higher
Suicide	52% higher
Pneumonia	42% higher

Services Provided to Native Americans by the City and County of San Francisco. The Department of Social Services has a child welfare worker dedicated to serving the Native American community. Ms. Carol Weins, a member of the Lakota tribe, has served as the Native American case worker at DSS for ten years. Ms. Weins typically has a caseload of 25-45 clients, and practices "vertical case management", working with children and families on a long-term basis.

Ms. Weins reports that in the event a Native American child welfare case in San Francisco goes to Juvenile Court, that client is represented by Mr. Patrick Gillory, a Native American attorney that works with Ms. Weins on her cases. Ms. Weins also reports that the Juvenile Court in San Francisco also has a Native American judge, Ms. Abbey Abenante, that handles Ms. Weins' cases. In addition, the Indian Child Welfare Act of 1978 (Public Law 95-608, a Federal law) allows a Native American child's tribe to intervene and, in some cases, take jurisdiction over the child welfare proceedings.

As the only DSS employee dedicated to serving the Native American community, Ms. Weins acts as a referral source both for Native Americans, and for professionals (in other City departments and community based organizations) who serve Native American clients.

The Department of Public Health has several contractual relationships with community based organizations that serve the Native American community. Community Substance Abuse has a contract with Friendship House to provide alcohol recovery services, and the AIDS office has a contract with the National Task Force on AIDS Prevention, which sponsors the Native American AIDS Project. In addition, the Native American Health Center has an arrangement with San Francisco General Hospital (SFGH) whereby SFGH provides some diagnostic services for the Health Center. These community based organizations are described below.

Community Organizations Serving the Native American Community in San Francisco. There are several non-profit organizations that provide services and cultural programs to the Native American community in San

Francisco. Some are supported by Federal, State, and City funds in addition to private donations and grants. Following is a list of organizations that serve the Native American community in San Francisco:

1. San Francisco Native American Health Center.

Located at 56 Julian Avenue in the Mission District, this health center serves Medi-Cal, private insurance and self-pay clients (a sliding-scale fee is available) regardless of residential, tribal, or ethnic affiliation. This health center offers pediatric, women's health, adult medicine, and prenatal care, a Women, Infants and Children (WIC) program, dental services, and a family and child guidance clinic. In addition, its East Bay facility offers a Youth Empowerment Program and a Homeless Program.

2. Friendship House Association of American Indians.

Located at 80 Julian Avenue in the Mission District, Friendship House provides therapeutic treatment and prevention services for alcohol and drug addiction. Friendship House has a 90-day Residential Program, and a minimum of a three-month AfterCare program for clients that complete the residential program. The AfterCare program is family-centered and provides community education, support groups, education and employment information, group and individual counseling.

3. Native American AIDS Project. The Native American AIDS Project, located at 1540 Market Street, provides community education and prevention services to the Native American community and general public in San Francisco. The Project also provides case management and psychosocial services to individuals infected with the HIV virus.

4. American Indian Education Project. This program is a Federal Title V program that serves American Indian students in the San Francisco Unified School District. The program, supported by approximately \$50,000 in Federal funds from the U.S. Office of Education, provides after school tutoring, classes and curriculum materials on American Indian culture. In addition, the project offers training for teachers and parents, and offers college and scholarship information, career and job counseling, and referrals to social services.

5. Indian Center of All Nations (ICAN). ICAN is a new non-profit organization whose goal is to provide cultural resources and social services to the Native American community in San Francisco. Located at 3004 16th Street in

the Mission District, ICAN offers a food program, support groups, cultural arts classes, AIDS awareness, and referrals to other agencies that provide services to Native Americans.

6. American Indian Contemporary Arts (AICA). AICA, located at 685 Market Street in the Downtown area, promotes contemporary American Indian art and artists. AICA sells works by Native American artists, and offers exhibits, artist presentations, technical assistance to artists, referrals, and an artists' database.

7. American Indian Film Institute (AIFI). AIFI produces the American Indian Film Festival, to provide a showcase for Native American filmmakers and foster public understanding of Native American culture and the challenges Native Americans face in today's society. AIFI also publishes a quarterly film, media and cultural arts journal "Indian Cinema Entertainment", and sponsors the annual Silverstar Pow-wow and Indian Market, held each June in Oakland.

8. International Indian Treaty Council (IITC). This organization of indigenous peoples from the Americas and Pacific Islands, located at 123 Townsend Street in the South of Market area, is dedicated to protecting indigenous cultures, rights, and sacred lands. The organization provides information and networking to facilitate the participation of indigenous peoples in local, regional, and national forums. In addition, the IITC works with the United Nations on human rights for indigenous peoples.

9. Tribal Crossroads. Located at 950 Gough Street in the Civic Center area, Tribal Crossroads is a drop-in center for Native Americans. The center is open Mondays and Thursdays from 10:30-4:30, and offers crafts, activities, and a monthly pot-luck dinner and spiritual gathering.

Comment:

Ms. Weins reports that most of the funding for the community based organizations listed above is comprised of State and Federal funds, and some private donations and grants. Mr. Robert Prentice of DPH reports that some community based organizations receive DPH funds for services on a contract basis, although some of these funds may originally be Federal or State monies, particularly in the case of funding for AIDS-related services.

Memo to Economic Vitality & Social Policy Committee
September 27, 1994 Economic Vitality & Social Policy Committee Meeting

Item 4 - File 176-94-6

Note: This item was continued at the September 13, 1994 Economic Vitality & Social Policy Committee Meeting.

Item: Resolution warning Merrill Lynch, and its subsidiary, Pony Express Courier Corporation, that they (a) must observe the Securities and Exchange Commission (SEC) ban on soliciting municipal finance contracts from politicians if contributions have been made to their campaigns within the past two years, and (b) that they must observe labor laws prohibiting unfair labor practices, or forfeit their right to do business with the City of San Francisco.

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Comments:

1. The proposed resolution states that Merrill Lynch activities around the country have resulted in an investigation by the U. S. Attorney's Office and the SEC, and that Merrill Lynch has been barred from future lead underwriter's roles by the State of Massachusetts for failure to disclose conflicts of interest and accepting inside information that breached the fiduciary responsibility owed the clients.

2. Ms. Wagner-Lockwood indicates that Merrill Lynch and BofA frequently operate in alliance as senior manager on bond issuances for the City. If Merrill Lynch is barred from doing business with the City, BofA will need to make a determination regarding the effect this action would have on its relationship with Merrill Lynch.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 5 - File 97-94-53

Item: Ordinance amending Article VI of the San Francisco Administrative Code by adding Section 5.56 and Section 5.56-1, to establish the National and Community Service Commission.

Description: The primary purpose of the National and Community Service Commission is to advise, and provide information to, the Board of Supervisors, community agencies, and other organizations about community service opportunities through the National and Community Service Program (NCSP) (see Comment 1 below).

The proposed ordinance would amend Article VI of the Administrative Code by adding Sections 5.56 and 5.56-1. Section 5.56 would establish the National and Community Service Commission, which would consist of 21 voting members and up to six nonvoting members. Additionally, Section 5.56 would provide that (1) each member of the Board of Supervisors would appoint one voting member, the full Board of Supervisors would appoint eight voting members and the Mayor would appoint two voting members, (2) the composition of the Commission shall broadly represent the ethnic, racial, gender, age and sexual orientation diversity of the City, (3) members shall be residents of the City, (4) the Mayor may appoint no more than six nonvoting members to the Commission, whose term is not designated in the proposed legislation, (5) the term of each voting member of the Commission shall be two years, with the exception of those voting members who are initially appointed, in which case, ten members shall serve a one-year term and eleven members shall serve a two-year term (these 21 members would draw lots to determine the length of their term), (6) any voting member who is absent from three regularly scheduled meetings of the Commission, without approval of at least 51 percent of the Commission members at a regularly scheduled meeting, shall be deemed to have resigned from the Commission effective on the date of the Commission Secretary's certification of such absences, (7) members of the Commission shall not be compensated, (8) the Commission shall meet at least once a month, and (9) the Commission Director position shall be established pursuant to Charter Section 8.200.

The Commission Director, as previously noted, shall be appointed by the Clerk of the Board. The annual salary of the Commission Director is estimated by the National Service

Blue Ribbon Commission (see Comment 2 below) at \$38,280 (including fringe benefits). Related annual operating expenses (i. e., rent, telephone, materials and supplies, printing) are estimated by the National Service Blue Ribbon Commission at \$73,850.

Section 5.56-1 would stipulate that (1) the Board of Supervisors may appropriate funds to support the work of the Commission subject to the budget and fiscal limitations of the Charter, and (2) the Commission's powers and duties shall include (a) providing information and technical assistance to City departments and community agencies eligible to utilize community workers through the NCSP, (b) providing a forum for needs assessments and coordinated planning for the preparation of NCSP proposals by the City and community agencies and organizations, (c) disseminating information regarding the NCSP to the City and community agencies and organizations, (d) gathering and disseminating information on successful community programs and projects to the City and community agencies, (e) submitting an annual plan for the use of community workers in the City through the NCSP to the Mayor and the Board of Supervisors, (f) advising the Board of Supervisors about opportunities available to the City to utilize community workers through the NCSP, (g) submitting an annual report to the Board of Supervisors regarding the Commission's activities by June 1 of each year and (h) taking all steps necessary to secure resources that support the activities of the Commission including, but not limited to, applying for, receiving and expending Federal and State grant funds.

Comments:

1. The NCSP was implemented under the Federal National Community Service Trust Act passed in September of 1993. The main component of the NCSP is entitled "AmeriCorps". Up to \$300 million in Federal funds is available for AmeriCorps participants nationwide for the first year of the program which began in June of 1994. Under the NCSP, AmeriCorps participants will provide needed public/community services, under the broad categories of public safety, environment, human services and education. Such services would be provided primarily through nonprofit agencies. AmeriCorps participants will receive a stipend of not less than the minimum hourly wage for services provided. In addition, each AmeriCorps participant will receive up to \$4,725 for each year of service provided, which is to be expended for college or job training. Participants will have the option of working 1,700 hours (full-time) or 900 hours (half-time) in a given year. In the second and third year of

the NCSP, \$500 million and \$700 million in Federal funds, respectively, will be available to fund AmeriCorps services.

2. The Board of Supervisors previously approved a resolution (No. 300-93) creating the National Service Blue Ribbon Commission, for the purpose of developing a comprehensive public service plan for San Francisco to assist in the implementation of the NCSP. The National Service Blue Ribbon Commission, which serves in an advisory capacity to the Board of Supervisors, has the authority, in part, to recommend to the Board of Supervisors (1) the goals, objectives, policies, and strategy for the implementation of the NCSP in San Francisco, (2) legislation necessary to implement the NCSP or any related purposes and goals. Additionally, this Blue Ribbon Commission is responsible for (1) developing informative materials to present to the Board of Supervisors for proposed distribution to City Departments and agencies on issues related to the NCSP, (2) issuing an annual written report to the Board of Supervisors on the status of the City's participation in the NCSP, (3) developing and recommending to the Board of Supervisors, within two months of its formation, long-term goals and objectives for the City's participation in the NCSP, and thereafter, developing and recommending a strategy with short and intermediate policies to accomplish these goals and objectives and (4) holding hearings on any matter regarding the City's participation in the NCSP. This Blue Ribbon Commission is composed of fifteen voting members who are appointed by the Board of Supervisors and two nonvoting members, one appointed by the Mayor and the other appointed by the Chief Administrative Officer. These Commission members serve without compensation. The resolution which created the Blue Ribbon Commission states that the Board of Supervisors shall provide in-kind professional and administrative staff and services to this Commission and urges the Mayor and Chief Administrative Officer to do the same. The estimated costs associated with this in-kind support are not specified.

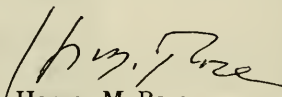
3. Mr. Joe Van Ness-Ballesteros of the New College of California is currently providing interim in-kind staff support to the National Service Blue Ribbon Commission. New College of California, a nonprofit institute for higher learning, played a lead role in the creation of this Blue Ribbon Commission and continues to provide on-going support to the Blue Ribbon Commission. Mr. Van Ness-Ballesteros advises that should the Board of Supervisors approve the proposed ordinance to create the National and Community Service Commission, activities of the National Service Blue Ribbon Commission would cease. The Blue

Ribbon Commission would be replaced by the proposed National and Community Service Commission. A resolution rescinding the legislation that created the National Service Blue Ribbon Commission is scheduled to be heard at the Economic Vitality and Social Policy Committee meeting on September 27, 1994 (Item 6, File 174-94-7).

4. As previously noted, the proposed legislation provides for the creation of a Commission Director, which would be appointed by the Clerk of the Board. Mr. Van Ness-Ballesteros advises that this position would be responsible for (1) providing administrative, clerical and research duties for the Commission, (2) coordinating grant applications, (3) securing non-governmental funding, (4) coordinating community input and advisory committees and (5) performing other duties as assigned. According to Mr. Van Ness-Ballesteros, if the City chooses not to fund this position, it would remain vacant. Under the proposed ordinance, while the Board of Supervisors may appropriate funds to support the work of the Commission, it is under no obligation to do so.

5. The office of the sponsor of the proposed legislation advises that an Amendment of the Whole to the proposed legislation has been drafted, which will be introduced at the Economic Vitality and Social Policy Committee meeting of September 27, 1994. This amendment adds a Section on findings and contains technical changes to the legislation.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.


Harvey M. Rose

cc:	Supervisor Kennedy	Clerk of the Board
	Supervisor Kaufman	Chief Administrative Officer
	Supervisor Conroy	Controller
	President Alioto	Teresa Serata
	Supervisor Bierman	Robert Oakes
	Supervisor Hallinan	Ted Lakey
	Supervisor Hsieh	
	Supervisor Leal	
	Supervisor Maher	
	Supervisor Migden	
	Supervisor Shelley	

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CALENDAR

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REGULAR MEETING
ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, SEPTEMBER 27, 1994 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS KAUFMAN AND CONROY

ABSENT: SUPERVISOR KENNEDY

CLERK: GAIL JOHNSON

1. File 216-94-2.1. [Youth Violence and Weapons] Hearing to consider issues concerning youth violence and weapons. (Supervisor Conroy)

ACTION: Hearing held. Consideration continued to the Call of the Chair.

2. File 107-89-15. Hearing to consider procedures and regulations concerning foster children, including placement of children outside of San Francisco and ramifications of Senate Bill 1177 regarding adoption of children. (Supervisors Kennedy, Alioto)
(Continued from 8/23/94)

ACTION: Hearing held. Consideration continued to the Call of the Chair.

3. File 287-94-1. [Native Americans] Hearing to consider the cultural resources and social services available for Native Americans. (Supervisor Kennedy)

ACTION: Hearing held. Consideration continued to the Call of the Chair.

4. File 176-94-6. [Merrill Lynch and Company] Resolution warning Merrill Lynch and Pony Express that it must observe Securities and Exchange Commission ban and labor laws or forfeit its right to do business with the City of San Francisco. (Supervisor Maher)
(Continued from 9/13/94)

ACTION: Hearing held. Consideration continued to the Call of the Chair.

5. File 97-94-53. [National and Community Service Commission] Ordinance amending Administrative Code by adding Sections 5.56 and 5.56-1, establishing the National and Community Service Commission. (Supervisor Bierman)
(FISCAL IMPACT)

ACTION: Hearing held. Consideration continued to October 11, 1994, meeting.

6. File 174-94-7. [National Service Blue Ribbon Commission] Resolution rescinding Resolution Numbers 300-93 and 894-93 that created the National Service Blue Ribbon Commission. (Supervisor Bierman)

ACTION: Hearing held. Consideration continued to October 11, 1994, meeting.

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OCT 6 1994

NOTICE OF RESCHEDULED MEETING

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ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Economic Vitality and Social Policy Committee for Tuesday, October 11, 1994, at 2:00 p.m., has been rescheduled to Tuesday, October 11, 1994, at 10:00 a.m., in the Legislative Chamber, Second Floor, City Hall.

A handwritten signature in dark ink, appearing to read "John L. Taylor".

JOHN L. TAYLOR
Clerk of the Board

POSTED: OCTOBER 4, 1994

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OF SAN FRANCISCO

BOARD OF SUPERVISORS

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BUDGET ANALYST

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October 7, 1994

TO: Economic Vitality and Social Policy Committee
FROM: Budget Analyst
SUBJECT: October 11, 1994 Economic Vitality and Social Policy Committee Meeting

Item 1 - File 222-94-7

Note: This item was previously heard and filed under File 7-94-5 at the June 28, 1994 meeting of the Economic Vitality and Social Policy Committee meeting.

1. This is a hearing to consider whether part-time bus drivers currently employed by the Municipal Railway (MUNI) can be given preference during recruitment for full-time employment.

2. According to Ms. Kathleen Kelly of the Public Utilities Commission (PUC), up until 1990, part-time bus drivers were hired through Temporary Civil Service announcements (requires an oral and written exam), which meant that these part-time bus drivers had Civil Service status. Under this arrangement, when MUNI needed new full-time bus drivers, MUNI would release a promotional announcement whereby part-time bus drivers, as existing Civil Servants, would be given an opportunity to promote to full-time employment, according to Ms. Kelly.

3. However, Ms. Kelly advises that under this arrangement in which MUNI filled full-time positions by promoting existing part-time drivers, many individuals who were interested in full-time bus driver positions could not be considered because they could not afford to go through the process of working on a part-time basis prior to gaining a full-time position. Thus in 1990, the PUC Personnel Bureau developed a full-time only list (requires an oral and written exam) and a separate part-time provisional list (requires an oral exam) for hiring new bus drivers. Under this arrangement, an individual could apply for employment to be included on one or both of these lists. However, an individual hired from the part-time provisional list did not receive Civil Service status and there were no opportunities for full-time

employment. Therefore, in order for part-time bus drivers to attain full-time bus driver positions, they had to be part of, and hired from, the full-time eligible list.

4. According to Ms. Kelly, many of the approximately 180 existing part-time bus drivers (who were hired from the part-time provisional list but were interested in full-time positions) were upset that individuals with no experience were being hired for full-time positions because they were at the top of the full-time only eligible lists, instead of existing part-time drivers with experience. Thus, on March 4, 1994, the PUC reached an agreement with the Transit Workers Union-Local 250-A to allow all of the 180 part-time bus drivers to participate in an oral exam (the written test was waived based on the fact that the written test is designed to measure skills that have already been demonstrated by the part-time drivers through their driving experience) to gain Civil Service status. The individuals who passed the exam have been added to the Temporary Civil Service list and are now eligible to be promoted to full-time positions through a promotional announcement. Ms. Kelly advises that prior to the promotional announcement, the PUC must first meet with the Transit Workers Union-Local 250-A to resolve the outstanding issue of how to handle the status of individuals who are not working as part-time bus drivers but whose names are still on the full-time eligible list. Ms. Kelly reports that discussion on this issue began on approximately June 20, 1994.

5. Ms. Kelly advises that, in the future, part-time bus drivers will be hired from Temporary Civil Service announcements and will have Civil Service status. The PUC and Transit Workers Union-Local 250-A have yet to determine how to handle the current full-time eligible list. Whether MUNI will hire for full-time positions only by promoting existing part-time drivers or by also hiring from the full-time eligible list has yet to be determined.

Items 2 and 3 - Files 97-94-53 and 174-94-7

Note: These items were continued by the Economic Vitality and Social Policy Committee at its meeting of September 27, 1994.

Items: Item 97-94-53 - Ordinance amending Article VI of the San Francisco Administrative Code by adding Section 5.56 and Section 5.56-1, to establish the National and Community Service Commission.

Item 174-94-7 - Resolution rescinding Resolution Numbers 300-93 and 894-93 that created the National Service Blue Ribbon Commission

Description: **File 97-94-53**

The primary purpose of the National and Community Service Commission is to (1) advise, and provide information to, the Board of Supervisors, community agencies, and other organizations about community service opportunities through the National and Community Service Program (NCSP) (see Comment 1 below), and (2) developing and assisting in the implementation of programs under the NCSP.

The proposed ordinance would amend Article VI of the Administrative Code by adding Sections 5.56 and 5.56-1. Section 5.56 would establish the National and Community Service Commission, which would consist of 21 voting members and up to six nonvoting members. Additionally, Section 5.56 would provide that (1) each member of the Board of Supervisors would appoint one voting member, the full Board of Supervisors would appoint eight voting members and the Mayor would appoint two voting members, (2) the composition of the Commission shall broadly represent the ethnic, racial, gender, age and sexual orientation diversity of the City, (3) members shall be residents of the City, (4) the Mayor may appoint no more than six nonvoting members to the Commission, whose term is not designated in the proposed legislation, (5) the term of each voting member of the Commission shall be two years, with the exception of those voting members who are initially appointed, in which case, ten members shall serve a one-year term and eleven members shall serve a two-year term (these 21 members would draw lots to determine the length of their term), (6) any voting member who is absent from three regularly scheduled meetings of the Commission, without approval of at least 51 percent of the Commission members at a regularly scheduled meeting, shall be deemed to have resigned from

the Commission effective on the date of the Commission Secretary's certification of such absences, (7) members of the Commission shall not be compensated, (8) the Commission shall meet at least once a month, and (9) the Commission Director position shall be established pursuant to Charter Section 8.200.

The Commission Director, as previously noted, shall be appointed by the Clerk of the Board. The annual salary of the Commission Director is estimated by the National Service Blue Ribbon Commission at \$38,280 (including fringe benefits). Related annual operating expenses (i. e., rent, telephone, materials and supplies, printing) are estimated by the National Service Blue Ribbon Commission at \$73,850.

Section 5.56-1 would stipulate that (1) the Board of Supervisors may appropriate funds to support the work of the Commission subject to the budget and fiscal limitations of the Charter, and (2) the Commission's powers and duties shall include (a) providing information and technical assistance to City departments and community agencies eligible to utilize community workers through the NCSP, (b) providing a forum for needs assessments and coordinated planning for the preparation of NCSP proposals by the City and community agencies and organizations, (c) disseminating information regarding the NCSP to the City and community agencies and organizations, (d) gathering and disseminating information on successful community programs and projects to the City and community agencies, (e) submitting an annual plan for the use of community workers in the City through the NCSP to the Mayor and the Board of Supervisors, (f) advising the Board of Supervisors about opportunities available to the City to utilize community workers through the NCSP, (g) submitting an annual report to the Board of Supervisors regarding the Commission's activities by June 1 of each year and (h) taking all steps necessary to secure resources that support the activities of the Commission including, but not limited to, applying for, receiving and expending Federal and State grant funds.

File 174-94-7

The Board of Supervisors previously approved legislation creating the National Service Blue Ribbon Commission, for the purpose of developing a comprehensive public service plan for San Francisco to assist in the implementation of the NCSP. The National Service Blue Ribbon Commission, which serves in an advisory capacity to the Board of Supervisors, has the authority, in part, to recommend to the Board of

Supervisors (1) the goals, objectives, policies, and strategy for the implementation of the NCSP in San Francisco, (2) legislation necessary to implement the NCSP or any related purposes and goals. Additionally, this Blue Ribbon Commission is responsible for (1) developing informative materials to present to the Board of Supervisors for proposed distribution to City Departments and agencies on issues related to the NCSP, (2) issuing an annual written report to the Board of Supervisors on the status of the City's participation in the NCSP, (3) developing and recommending to the Board of Supervisors, within two months of its formation, long-term goals and objectives for the City's participation in the NCSP, and thereafter, developing and recommending a strategy with short and intermediate policies to accomplish these goals and objectives and (4) holding hearings on any matter regarding the City's participation in the NCSP. This Blue Ribbon Commission is composed of fifteen voting members who are appointed by the Board of Supervisors and two nonvoting members, one appointed by the Mayor and the other appointed by the Chief Administrative Officer. These Commission members serve without compensation. The resolution which created the Blue Ribbon Commission states that the Board of Supervisors shall provide in-kind professional and administrative staff and services to this Commission and urges the Mayor and Chief Administrative Officer to do the same. The estimated costs associated with this in-kind support are not specified.

Mr. Joe Van Ness-Ballesteros of the New College of California is currently providing interim in-kind staff support to the National Service Blue Ribbon Commission. New College of California, a nonprofit institute for higher learning, played a lead role in the creation of this Blue Ribbon Commission and continues to provide on-going support to the Blue Ribbon Commission.

Mr. Van Ness-Ballesteros states that should the Board of Supervisors approve the proposed ordinance to create the National and Community Service Commission, activities of the National Service Blue Ribbon Commission would cease. As such, the proposed resolution (File 174-94-7) would rescind the legislation that created the National Service Blue Ribbon Commission.

Comments:

1. The NCSP was implemented under the Federal National Community Service Trust Act approved in September of 1993. The main component of the NCSP is entitled "AmeriCorps". Up to \$300 million in Federal funds is available for AmeriCorps participants nationwide for the first

year of the program which began in June of 1994. Under the NCSP, AmeriCorps participants will provide needed public/community services, under the broad categories of public safety, environment, human services and education. Such services would be provided primarily through nonprofit agencies. AmeriCorps participants will receive a stipend of not less than the minimum hourly wage for services provided. In addition, each AmeriCorps participant will receive up to \$4,725 for each year of service provided, which is to be expended for college or job training. Participants will have the option of working 1,700 hours (full-time) or 900 hours (half-time) in a given year. In the second and third year of the NCSP, \$500 million and \$700 million in Federal funds, respectively, will be available to fund AmeriCorps services.

2. As previously noted, the proposed ordinance (File 97-94-53) provides for the creation of a Commission Director, which would be appointed by the Clerk of the Board. Mr. Van Ness-Ballesteros advises that this position would be responsible for (1) providing administrative, clerical and research duties for the Commission, (2) coordinating grant applications, (3) securing non-governmental funding, (4) coordinating community input and advisory committees and (5) performing other duties as assigned. According to Mr. Van Ness-Ballesteros, if the City chooses not to fund this position, it would remain vacant. Under the proposed ordinance, while the Board of Supervisors may appropriate funds to support the work of the Commission, it is under no obligation to do so.

Recommendation: Approval of the proposed legislation is a policy matter for the Board of Supervisors.

Item 4 - File 188-94-3

Item: Hearing to consider the health and environmental quality of the City's lakes and ponds, with a goal of developing a comprehensive plan to insure the health and environmental integrity of lakes and ponds.

Description: There are approximately 20 freshwater lakes and ponds in San Francisco, most of them on City property. 12 lakes and ponds are in Golden Gate Park, 4 are in neighborhood parks, and 2 on public golf courses. The lakes and ponds within the City's park system are under the jurisdiction of the Recreation and Park Department. Lake Merced is considered part of the City's emergency water supply and is managed by the Water Department. Mountain Lake in the Presidio is under the jurisdiction of the National Park Service.

At this time, monitoring and maintenance of lakes and ponds by the City is largely reactive. The Water Department samples Lake Merced on a weekly basis as part of its regular maintenance program. The Recreation and Park Department will test and/or treat lakes and ponds in response to complaints or when a problem such as odor or excessive algae growth becomes apparent to Park staff. The Department of Public Health's Bureau of Environmental Health (DPH) will test lakes and ponds for contamination in response to requests from the Recreation and Park Department or citizen complaints. However, no City Department tests or monitors the lakes and ponds within the City for water quality on a regular basis.

During 1994, complaints were received from the public about Pine Lake in Stern Grove, and about the Palace of Fine Arts lagoon. In particular, a complaint was received that children at a day camp in Stern Grove had become ill through contact with the water at Pine Lake. Both bodies of water were tested by DPH in response to the complaints. According to Mr. Ben Gale of DPH, Pine Lake was confirmed, by chemical analysis, to be contaminated with sewage; however, coliform bacteria were found in very low concentrations. Water samples from the Palace of Fine Arts lagoon showed no sewage contamination, but high coliform counts were reported and attributed to decaying vegetation and to the resident bird population. Mr. Gale concluded that no public health issues could be associated with either body of water, and it is unlikely that contact with the water in Pine Lake could have been a source for alleged illnesses. However, Mr. Gale adds that any indication of

Memo to Economic Vitality and Social Policy Committee
October 11, 1994 Economic Vitality and Social Policy Committee Meeting

sewage is cause for concern, and that action to prevent future sewage contamination of Pine Lake remains a priority.

According to Mr. Ron De Leon, Superintendent of Parks, the Palace of Fine Arts lagoon, Spreckels Lake in Golden Gate Park, and Mountain Lake in the Presidio are among the lakes in the City that are subject to periodic algae blooms and fish kills especially during the warm summer months. The Recreation and Park Department has treated algae blooms by using herbicides on a very limited basis. In addition, the Palace of Fine Arts lagoon was cleaned, tested and treated to control algae on a monthly basis until the late 1980s, when budget cuts forced the Recreation and Park Department to discontinue the maintenance contract.

Some of the lakes and ponds in the City suffer from problems with water quantity as well as quality, and the two issues are closely linked. Lake Merced in the southwestern part of the City is a shallow aquifer that fluctuates with the height of the water table. A 1993 study commissioned by the Water Department found that a water level of 26 feet is desirable to maintain the highest water quality in Lake Merced. During the 1987-1992 drought the water level in Lake Merced dropped significantly. The Water Department has recently brought the water level up to improve fishing and bird habitat, and the lake now ranges between 14 and 16 feet in depth. Pine Lake in Stern Grove was also once a large pond but its water level has dropped in recent years, with the overall drop in San Francisco's water table suspected as the cause.

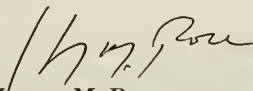
In response to the need for protection of lakes and ponds, DPH is planning to meet with City departments and other interested parties to discuss plans for more consistent water quality monitoring, according to Mr. Gale. However, City departments have not yet developed specific cost estimates for this work, and no source of funding has been identified.

Mr. De Leon notes that the Golden Gate Park Master Plan includes a plan for refurbishing the 12 lakes in the Park. Golden Gate Park bond funds approved by the voters in 1992 are available to fund this project. The Park bond issue totaled \$76 million, approximately \$7 million of which are available for work on the lakes. Maintenance guidelines for Park lakes and ponds will be developed as part of the refurbishing process, however bond funds cannot be used for maintenance. The Golden Gate Park Master Plan is

Memo to Economic Vitality and Social Policy Committee
October 11, 1994 Economic Vitality and Social Policy Committee Meeting

currently under environmental review, and major work will not begin until that process is completed. Ms. Deborah Lerner of the Recreation and Park Department reports that the earliest lake refurbishing work could begin would be mid 1996.

According to Mr. De Leon, as a rough estimate the Recreation and Park Department spends \$3,500 annually on materials and has .85 FTE at a cost of \$33,500 assigned to lake and pond maintenance throughout the Park system, for a total of \$37,500. Mr. Gale estimates that the cost of DPH personnel responding to complaints at lakes and ponds totals \$20,000 or less annually.



Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

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CALENDAR

RESCHEDULED MEETING
ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, OCTOBER 11, 1994 - 10:00 A.M.

LEGISLATIVE CHAMBER
2ND FLOOR, CITY HALL

PRESENT: SUPERVISORS KENNEDY, KAUFMAN, CONROY

ABSENT: SUPERVISOR CONROY - ITEMS 1 - 3

CLERK: GAIL JOHNSON

1. File 222-94-7. [Municipal Railway Part-time Drivers] Hearing to consider whether part-time Municipal Railway drivers currently employed by the Municipal Railway can be given preference during recruitment for full-time employment. (Supervisor Kennedy)

ACTION: Hearing held. Consideration continued to the Call of the Chair.

2. File 97-94-53. [National and Community Service Commission] Ordinance amending Administrative Code by adding Sections 5.56 and 5.56-1, establishing the National and Community Service Commission. (Supervisor Bierman)
(FISCAL IMPACT)

(Consideration continued from 9/27/94)

ACTION: Consideration continued to the Call of the Chair.

3. File 174-94-7. [National Service Blue Ribbon Commission] Resolution rescinding Resolution Numbers 300-93 and 894-93 that created the National Service Blue Ribbon Commission. (Supervisor Bierman)
(Consideration continued from 9/27/94)

ACTION: Consideration continued to the Call of the Chair.

4. File 188-94-3. [Lakes and Ponds] Hearing to consider the health and environmental quality of the City's lakes and ponds, with a goal of developing a comprehensive plan to insure the health and environmental integrity of lakes and ponds. (Supervisors Conroy, Alioto)

ACTION: Hearing held. Consideration continued to the Call of the Chair.



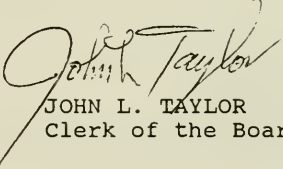
NOTICE OF CANCELED MEETING

NOTICE OF SPECIAL JOINT MEETING

ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Economic Vitality and Social Policy Committee for Tuesday, October 25, 1994, at 2:00 p.m., has been canceled.

Please note that the Economic Vitality and Social Policy Committee will hold a special joint meeting with the Police Commission and the Commission on the Status of Women on Wednesday, October 26, 1994, from 5:30 p.m. to 7:30 p.m., in the Legislative Chamber, Second Floor, City Hall.


JOHN L. TAYLOR
Clerk of the Board

ECONOMIC VITALITY & SOCIAL
POLICY COMMITTEE
BOARD OF SUPERVISORS
ROOM 235, CITY HALL
SAN FRANCISCO, CA 94102

**IMPORTANT
HEARING NOTICE**

590-238
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10/26/94

C A L E N D A R

ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE OF THE BOARD OF SUPERVISORS POLICE COMMISSION/COMMISSION ON THE STATUS OF WOMEN CITY AND COUNTY OF SAN FRANCISCO

SPECIAL JOINT MEETING

DOCUMENTS DEPT.
OCT 24 1994

WEDNESDAY, OCTOBER 26, 1994, 5:30 P.M.-
7:30 P.M.

LEGISLATIVE CHAMBER
2ND FLOOR, CITY HALL
SAN FRANCISCO
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MEMBERS: Board of Supervisors - Supervisors Willie B. Kennedy, Chair; Barbara Kaufman, Annemarie Conroy; Police Commission - Commissioners Harry W. Low, President; Clothilde W. Hewlett, Katherine Feinstein, Wayne Friday, Anthony P. Rodriguez; Commission on the Status of Women - Commissioners Patricia Chang, President; M. Terri Hanagan, Caryl Ito, Rosa Rivera, Gwendolyn Tillman

CLERK: Gail Johnson

* * * * *

Disability Access

The Board of Supervisors Committee Meeting Room (228) and the Legislative Chamber of the Board are on the second floor of City Hall.



Both the Committee Room and the Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, 2 1/2 blocks from City Hall. Accessible MUNI line serving this location is the #42 Downtown Loop as well as the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of City Hall adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 235 staff.

The following services are available on request 72 hours prior to the meeting or hearing:

For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

1. File 235-94-2. [Domestic Violence] Hearing to consider and evaluate the City's response to domestic violence and to develop a comprehensive, citywide plan to coordinate city department policies and procedures and to develop an effective way for the City to interface with public and private agencies to effectively address the many facets of the issue. (Supervisor Conroy)

ACTION:

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BOARD of SUPERVISORS



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October 26, 1994

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OCT 31 1994

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NOTICE OF MATTER CALLED OUT OF COMMITTEE

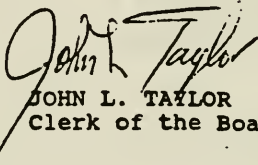
TO WHOM IT MAY CONCERN:

Notice is hereby given that the following matter has been called out of the ~~Economic~~ Vitality and Social Policy Committee:

File 176-94-6. [Merrill Lynch and Company] Resolution urging Merrill Lynch and Pony Express to observe the Securities and Exchange Commission ban and U.S. Labor laws. (Supervisors Maher, Shelley)

The above item will appear on the Board of Supervisors' calendar for its meeting of Monday, October 31, 1994, at 2:00 p.m., in the Legislative Chamber, Second Floor, City Hall, at which time it will be considered by the full Board.

In the absence of a motion adopted by unanimous vote, participation in the discussion will be limited to Supervisors and City and County staff personnel.


JOHN L. TAYLOR
Clerk of the Board

ECONOMIC VITALITY & SOCIAL
POLICY COMMITTEE
BOARD OF SUPERVISORS
ROOM 235, CITY HALL
SAN FRANCISCO, CA 94102

IMPORTANT
HEARING NOTICE

Public Library, Documents Dept.
Attn: Jane Hudson

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

November 8, 1994

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TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: November 10, 1994 Economic Vitality and Social Policy Committee Meeting

Items 2 and 3 - Files 13-94-29 and 13-94-29.1

Department: Mayor's Office of Housing

Items: Item 2, File 13-94-29 - Hearing to consider the Memorandum of Understanding Creating a Partnership for Communities joining the United States Department of Housing and Urban Development and the City and County of San Francisco.

Item 3, File 13-94-29.1 - Resolution urging the Mayor to enter into a Memorandum of Understanding with the U.S. Department of Housing and Urban Development (HUD) for the replacement of Geneva Towers and urging HUD to abide by the City's just cause eviction law and respect the rights of Geneva Towers tenants.

Description: The draft Memorandum of Understanding (MOU) between the Mayor's Office and the U.S. Department of Housing and Urban Development (HUD) contains broad policy statements intended to encourage HUD and the City to coordinate its efforts to improve the housing and economic conditions of the Visitacion Valley neighborhood, located in the south-eastern section of San Francisco. According to Mr. Ted Dienstfrey, Director of the Mayor's Office of Housing, the MOU is not a legally-binding document; rather, its purpose is to set the general policy direction for both the City and HUD.

The MOU was drafted by the HUD San Francisco Regional Office as HUD was deciding on the disposition of Geneva Towers. HUD then made a recommendation¹ to demolish Geneva Towers, a set of two 20-story high rise apartments containing a total of 576 units, 282 of which are currently occupied by low-income tenants and their families. HUD has owned the building since 1991, when it foreclosed on the property due to reported mismanagement by the previous owner. HUD drafted the MOU in order to make an offer to sell the land now occupied by Geneva Towers to the City for \$1.00 and provide \$46.6 million in Section 8 rental subsidies for newly-constructed housing in Visitacion Valley. In exchange for the land and the Section 8 subsidies, HUD has asked the City to agree to build new affordable housing in Visitacion Valley, assuming the demolition of Geneva Towers goes forward. Further, the MOU states that the City agrees to use its "best efforts" to see that a variety of job training and other social services needed in Visitacion Valley are provided in order to revitalize the neighborhood.

According to HUD's Property Disposition Report, Geneva Towers has "major structural inadequacies" and the cost to remedy these inadequacies and continue to operate the buildings would greatly exceed the threshold cost limits set in HUD regulations.² The HUD report also states that high-rise structures have been proved to be unworkable as housing for low-income families, and that in cases where the San Francisco Housing Authority has replaced high-rise housing with low-rise housing, the quality of life of the residents and the surrounding neighborhood has improved dramatically.

The MOU states as a primary objective the development of new low-rise affordable housing "consistent with the character of the neighborhood," and that the Mayor's Office of Housing will take the lead in the development of the new housing. In addition, the MOU states that the City and HUD will develop programs in education, social services, economic development, and the establishment of long-term physical improvements to stabilize the Visitacion Valley

¹ The recommendation was made by HUD's Regional Office of Housing on July 13, 1994, and the public comment period extended from September 8 to October 11, 1994.

² HUD regulations state that if the cost of rehabilitation of a property, including debt service and operating expenses, exceed 144% of rents that would accrue to the property (under Section 8 fair-market rents), the rehabilitation work should not proceed and the rental units should not be preserved.

neighborhood.³ The MOU states that the City agrees to provide \$6 million in Community Development Block Grant (CDBG) program funds "and/or other City funds" over a five-year period to fund these neighborhood services and improvements, but does not specify the source of other City funds. As of the writing of this report, no budget details for the proposed \$6 million to be provided by the City are available.

The Supplement to the MOU outlines in greater detail the agreements made by both HUD and the City. According to the Supplement, HUD agrees to (1) Demolish the two Geneva Towers buildings and sell the land the buildings now occupy to the City for \$1.00; (2) Provide relocation assistance to Geneva Towers residents in their search for other housing (for an estimated cost of \$535,255); (3) Provide up to \$19.4 million in Section 8 rent vouchers to Geneva Towers residents for their use in renting other housing for a five-year period (at an average cost to HUD of \$13,425 per tenancy⁴ per year); and (4) Consider requests from the City for project-based Section 8 subsidies for 20% to 50% of the residents of newly-constructed family housing (at an estimated cost to HUD of \$32.4 million) and 100% of the residents of newly-constructed elderly housing (at an estimated cost to HUD of \$14.2 million), for a total estimated cost to HUD of \$46.6 million. These Section 8 project subsidies have been calculated to fund rent payments for 150 family units and 100 senior units over a 15-year period.

According to Mr. Keith Axtell, Regional Director of Housing for HUD, it is HUD's intention to encourage a greater mix of tenant incomes (ranging from 80% of median income to 15% of median income) in the replacement housing than currently exists at Geneva Towers, which currently contains only very-low income tenants (earning about 17% of median area income).

The MOU Supplement states that the City agrees to (1) Follow through on its commitment to make a \$1.5 million

³ The MOU also states that HUD will continue its financial support of the rehabilitation of the Sunnysdale public housing project, located in Visitacion Valley, in cooperation with the San Francisco Housing Authority. The project will have 767 units once the rehabilitation is complete.

⁴ In addition to the 282 units currently occupied at Geneva Towers, 7 units have been recently vacated by tenants or families who have received Section 8 vouchers, for a total of 289 tenants or families who have received or are qualified to receive the vouchers for five years.

conditional grant⁵ from the City's housing funds, received from HUD under the HOME and CDBG programs, to a non-profit housing developer to purchase a site at 150 Britton Street⁶ (located across the street from the current Geneva Towers site); (2) Assist non-profit housing corporations to obtain properties in Visitacion Valley for 50 to 100 units of elderly housing and to construct 300 units of family housing in Visitacion Valley;⁷ (3) Guarantee preferences for Geneva Towers residents for newly-constructed housing referenced in the MOU; (4) Improve police services in Visitacion Valley, including the initiation of "community policing," and (5) provide medical services, day care facilities, employment training and career counseling, and other social services in Visitacion Valley. In addition, the MOU states that the City agrees to waive future Housing Authority Payments in Lieu of Taxes (PILOT). The MOU states that agreeing to not collect these payments in the future will ensure the financial integrity of the SFHA and enable the SFHA to fulfill its obligations to provide services for the Sunnydale public housing complex. According to John Shanley, Special Assistant to the Executive Director of the SFHA, approximately \$600,000 is assessed by the City under PILOT per year.

The MOU Supplement also references HUD and City plans to initiate economic revitalization of Visitacion Valley, including a proposal to train and provide employment to current neighborhood residents, and to provide contracting opportunities to local businesses, in connection with the HUD-assisted developments in Visitacion Valley. HUD specifically agrees to ensure that bid documents for HUD-assisted construction contain plans to hire 30% of the construction work-force from a pool of applicants who are residents of Visitacion Valley. As previously noted, the City agrees to provide \$6 million in CDBG and other City funds, from sources as yet to be determined, to finance the economic development and social services activities referenced in the MOU.

⁵ The conditional grant is extended to the non-profit developer as a 50-year loan, to be forgiven at the end of the 50 years. The grant is conditional on the continued provision of below-market rate housing by the developer.

⁶ The Mayor's Office of Housing made a predevelopment loan in February of 1994 of \$75,000 to the Housing Conservation Development Corporation, a non-profit housing developer which has proposed to build affordable family housing on the site, and has set aside \$1.5 million in CDBG funds for the purchase of the land, which covers approximately two acres.

⁷ The Mayor's Office of Housing plans to develop the affordable family housing on the Britton Street site and on the site currently occupied by Geneva Towers. The sites for elderly housing have not yet been identified.

The proposed resolution also provides that the Board of Supervisors urges HUD to abide by the City's just cause eviction law and respect the rights of Geneva Towers tenants. According to Ms. Sandy Gartzman, Senior Hearing Officer of the San Francisco Rent Board, this law provides for a 30-day notice to vacate for tenants who live in a building set to be demolished.

Comment:

Mr. Dienstfrey advises that the issues which should be considered regarding disposition of Geneva Towers are:

1. The impact of the demolition of Geneva Towers on the current residents. Some residents may encounter serious relocation problems because the removal of 282 currently-occupied units from the market will result in a large number of low-income tenants who will be in the market for affordable housing. In addition, according to Mr. Dienstfrey, current Geneva Towers residents may encounter resistance from private landlords unwilling to rent to tenants with Section 8 certificates.

2. The cost to the City of building the replacement housing. Although the City's role in funding the new housing is not addressed in the MOU, Mr. Dienstfrey states that the total cost to the City to build up to 100 units of senior housing would be \$4 million and the cost to build 300 units of family housing is estimated to be \$11.5 million, for a total of \$15.5 million in City funds to be expended over a five to six-year period. According to Mr. Dienstfrey, the City would fund the proposed new housing using CDBG/HOME and Hotel Tax revenues (which are dedicated to senior housing). The City currently receives approximately \$10 million annually in CDBG and HOME funds for housing, and approximately \$3.5 million annually for senior housing from Hotel Tax revenues. Once the projects are completed and occupied, they would be eligible for the \$46.6 million in rent subsidies agreed to by HUD under the MOU. Mr. Dienstfrey states that some of the elderly and family units could be ready for occupancy within two years.

3. The ability of non-profit developers in San Francisco to complete up to 400 housing units within the estimated five to six-year time period. The MOU Supplement states that the City will contract with non-profit developers to build the new housing, and concerns have been raised regarding the capacity of these non-profit developers to produce a relatively large volume of new affordable housing units in five to six years. An average of approximately 73 new units per year

would have to be completed by the participating non-profit developers to complete up to 400 units of new housing within the five to six-year period. Mr. Dienstfrey advises that non-profit housing developers completed 468 new units of housing in San Francisco in one recent year (between October 1, 1992, and September 30, 1993).

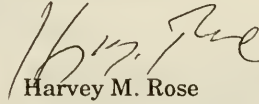
4. Whether the City should expend part of its annual HUD allocation for housing of approximately \$10 million per year for the purpose of replacing housing that will be demolished due to a HUD decision. Mr. Dienstfrey states that HUD has not indicated it will increase its annual (CDBG/HOME housing allocation to the City as a result of the demolition of Geneva Towers; however, HUD states in the MOU it will provide Section 8 rental subsidies (totaling \$46.4 million for senior and family housing) for new housing projects that intend to replace Geneva Towers. These subsidies represent additional funding for affordable housing beyond the annual \$10 million funding level received by the City from HUD.

Summary

In summary, the MOU states that the City agrees to (1) construct new housing in Visitacion Valley to replace housing lost due to the proposed demolition of Geneva Towers, (2) uphold its commitment to make a \$1.5 million grant to a non-profit developer to develop 150 Britton Street, (3) guarantee preferences to Geneva Towers residents for the proposed new housing, (4) provide a variety of Police and social services to residents of the neighborhood, (5) promote the employment of Visitacion Valley residents, and (6) waive future PILOT payments due to the City from the SFHA. The total proposed cost to the City represented in these agreements is currently estimated to be \$7.5 million, including \$1.5 million for the grant for new housing on 150 Britton Street from CDBG/HOME funds, and \$6 million for police and social services from CDBG and other City sources. In addition, the waiver of future PILOT funds would represent an approximate \$600,000 annual loss to the City.

The MOU also states that HUD agrees to (1) sell the land currently occupied by Geneva Towers to the City for \$1.00, (2) provide \$19.4 million in vouchers over a five year period for the tenants who currently live in Geneva Towers, (3) provide \$535,255 in relocation assistance, and (4) consider requests from the City for \$46.6 million in project-based Section 8 rent subsidies over a 15-year period for new housing in Visitacion Valley.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

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CALENDAR - Actions

RESCHEDULED MEETING
ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

THURSDAY, NOVEMBER 10, 1994 - 10:00 A.M.

LEGISLATIVE CHAMBER
2ND FLOOR, CITY HALL

PRESENT: SUPERVISORS KENNEDY AND KAUFMAN

ABSENT: SUPERVISOR CONROY

CLERK: GAIL JOHNSON

1. File 121-94-9. [Film Production Activities] Ordinance amending Police Code Article 29 by adding Section 2914.1 and amending Sections 2915 and 2916 to except certain film production activities from the provisions of Article 29, Regulation of Noise. (Supervisor Alioto)

ACTION: Hearing held. Recommended.

2. File 13-94-29. [Geneva Towers, Memorandum of Understanding, HUD] Hearing to consider the memorandum of understanding Creating a Partnership for Communities joining the United States Department of Housing and Urban Development and the City and County of San Francisco. (Supervisors Kennedy, Alioto)

ACTION: Hearing held. Consideration continued to November 22, 1994, meeting.

3. File 13-94-29.1. [Visitacion Valley Memorandum of Understanding] Resolution urging the Mayor to enter into a memorandum of understanding with the U.S. Department of Housing and Urban Development for the replacement of Geneva Towers and urging HUD to abide by the City's just cause eviction law and respect the rights of Geneva Towers tenants. (Supervisors Kennedy, Alioto)

ACTION: Hearing held. Consideration continued to November 22, 1994, meeting.

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BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

November 18, 1994

TO: Economic Vitality & Social Policy Committee

FROM: Budget Analyst

SUBJECT: November 22, 1994 Economic Vitality & Social Policy Committee Meeting

Items 1 and 2 - Files 13-94-29 and 13-94-29.1

Note: These items were continued by the Economic Vitality & Social Policy Committee at its meeting of November 10, 1994.

Department: Mayor's Office of Housing

Items: Item 1, File 13-94-29 - Hearing to consider the Memorandum of Understanding Creating a Partnership for Communities joining the United States Department of Housing and Urban Development and the City and County of San Francisco.

Item 2, File 13-94-29.1 - Resolution urging the Mayor to enter into a Memorandum of Understanding with the U.S. Department of Housing and Urban Development (HUD) for the replacement of Geneva Towers and urging HUD to abide by the City's just cause eviction law and respect the rights of Geneva Towers tenants.

Description: The draft Memorandum of Understanding (MOU) between the Mayor's Office and the U.S. Department of Housing and Urban Development (HUD) contains broad policy statements intended to encourage HUD and the City to coordinate its efforts to improve the housing and economic conditions of the Visitacion Valley neighborhood, located in the south-eastern section of San Francisco. According to Mr. Ted Dienstfrey, Director of the Mayor's Office of Housing, the MOU is not a

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legally-binding document; rather, its purpose is to set the general policy direction for both the City and HUD.

The MOU was drafted by the HUD San Francisco Regional Office as HUD was deciding on the disposition of Geneva Towers. HUD then made a recommendation¹ to demolish Geneva Towers, a set of two 20-story high rise apartments containing a total of 576 units, 282 of which are currently occupied by low-income tenants and their families. HUD has owned the building since 1991, when it foreclosed on the property due to reported mismanagement by the previous owner. HUD drafted the MOU in order to make an offer to sell the land now occupied by Geneva Towers to the City for \$1.00 and provide \$46.6 million in Section 8 rental subsidies for newly-constructed housing in Visitacion Valley. In exchange for the land and the Section 8 subsidies, HUD has asked the City to agree to build new affordable housing in Visitacion Valley, assuming the demolition of Geneva Towers goes forward. Further, the MOU states that the City agrees to use its "best efforts" to see that a variety of job training and other social services needed in Visitacion Valley are provided in order to revitalize the neighborhood.

According to HUD's Property Disposition Report, Geneva Towers has "major structural inadequacies" and the cost to remedy these inadequacies and continue to operate the buildings would greatly exceed the threshold cost limits set in HUD regulations.² The HUD report also states that high-rise structures have been proved to be unworkable as housing for low-income families, and that in cases where the San Francisco Housing Authority has replaced high-rise housing with low-rise housing, the quality of life of the residents and the surrounding neighborhood has improved dramatically.

The MOU states as a primary objective the development of new low-rise affordable housing "consistent with the character of the neighborhood," and that the Mayor's Office of Housing will take the lead in the development of the new housing. In addition, the MOU states that the City and HUD will develop programs in education, social services, economic development, and the establishment of long-term physical improvements to stabilize the Visitacion Valley

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The Supplement to the MOU outlines in greater detail the agreements made by both HUD and the City. According to the Supplement, HUD agrees to (1) Demolish the two Geneva Towers buildings and sell the land the buildings now occupy to the City for \$1.00; (2) Provide relocation assistance to Geneva Towers residents in their search for other housing (for an estimated cost of \$535,255); (3) Provide up to \$19.4 million in Section 8 rent vouchers to Geneva Towers residents for their use in renting other housing for a five-year period (at an average cost to HUD of \$13,425 per tenancy⁴ per year); and (4) Consider requests from the City for project-based Section 8 subsidies for 20% to 50% of the residents of newly-constructed family housing (at an estimated cost to HUD of \$32.4 million) and 100% of the residents of newly-constructed elderly housing (at an estimated cost to HUD of \$14.2 million), for a total estimated cost to HUD of \$46.6 million. These Section 8 project subsidies have been calculated to fund rent payments for 150 family units and 100 senior units over a 15-year period.

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The MOU Supplement states that the City agrees to (1) Follow through on its commitment to make a \$1.5 million

³ The MOU also states that HUD will continue its financial support of the rehabilitation of the Sunnydale public housing project, located in Visitacion Valley, in cooperation with the San Francisco Housing Authority. The project will have 767 units once the rehabilitation is complete.

⁴ In addition to the 282 units currently occupied at Geneva Towers, 7 units have been recently vacated by tenants or families who have received Section 8 vouchers, for a total of 289 tenants or families who have received or are qualified to receive the vouchers for five years.

conditional grant⁵ from the City's housing funds, received from HUD under the HOME and CDBG programs, to a non-profit housing developer to purchase a site at 150 Britton Street⁶ (located across the street from the current Geneva Towers site); (2) Assist non-profit housing corporations to obtain properties in Visitacion Valley for 50 to 100 units of elderly housing and to construct 300 units of family housing in Visitacion Valley;⁷ (3) Guarantee preferences for Geneva Towers residents for newly-constructed housing referenced in the MOU; (4) Improve police services in Visitacion Valley, including the initiation of "community policing," and (5) provide medical services, day care facilities, employment training and career counseling, and other social services in Visitacion Valley. In addition, the MOU states that the City agrees to waive future Housing Authority Payments in Lieu of Taxes (PILOT). The MOU states that agreeing to not collect these payments in the future will ensure the financial integrity of the SFHA and enable the SFHA to fulfill its obligations to provide services for the Sunnydale public housing complex. According to John Shanley, Special Assistant to the Executive Director of the SFHA, approximately \$600,000 is assessed by the City under PILOT per year.

The MOU Supplement also references HUD and City plans to initiate economic revitalization of Visitacion Valley, including a proposal to train and provide employment to current neighborhood residents, and to provide contracting opportunities to local businesses, in connection with the HUD-assisted developments in Visitacion Valley. HUD specifically agrees to ensure that bid documents for HUD-assisted construction contain plans to hire 30% of the construction work-force from a pool of applicants who are residents of Visitacion Valley. As previously noted, the City agrees to provide \$6 million in CDBG and other City funds, from sources as yet to be determined, to finance the economic development and social services activities referenced in the MOU.

⁵ The conditional grant is extended to the non-profit developer as a 50-year loan, to be forgiven at the end of the 50 years. The grant is conditional on the continued provision of below-market rate housing by the developer.

⁶ The Mayor's Office of Housing made a predevelopment loan in February of 1994 of \$75,000 to the Housing Conservation Development Corporation, a non-profit housing developer which has proposed to build affordable family housing on the site, and has set aside \$1.5 million in CDBG funds for the purchase of the land, which covers approximately two acres.

⁷ The Mayor's Office of Housing plans to develop the affordable family housing on the Britton Street site and on the site currently occupied by Geneva Towers. The sites for elderly housing have not yet been identified.

The proposed resolution also provides that the Board of Supervisors urges HUD to abide by the City's just cause eviction law and respect the rights of Geneva Towers tenants. According to Ms. Sandy Gartzman, Senior Hearing Officer of the San Francisco Rent Board, this law provides for a 30-day notice to vacate for tenants who live in a building set to be demolished.

Comment: Mr. Dienstfrey advises that the issues which should be considered regarding disposition of Geneva Towers are:

1. The impact of the demolition of Geneva Towers on the current residents. Some residents may encounter serious relocation problems because the removal of 282 currently-occupied units from the market will result in a large number of low-income tenants who will be in the market for affordable housing. In addition, according to Mr. Dienstfrey, current Geneva Towers residents may encounter resistance from private landlords unwilling to rent to tenants with Section 8 certificates.

2. The cost to the City of building the replacement housing. Although the City's role in funding the new housing is not addressed in the MOU, Mr. Dienstfrey states that the total cost to the City to build up to 100 units of senior housing would be \$4 million and the cost to build 300 units of family housing is estimated to be \$11.5 million, for a total of \$15.5 million in City funds to be expended over a five to six-year period. According to Mr. Dienstfrey, the City would fund the proposed new housing using CDBG/HOME and Hotel Tax revenues (which are dedicated to senior housing). The City currently receives approximately \$10 million annually in CDBG and HOME funds for housing, and approximately \$3.5 million annually for senior housing from Hotel Tax revenues. Once the projects are completed and occupied, they would be eligible for the \$46.6 million in rent subsidies agreed to by HUD under the MOU. Mr. Dienstfrey states that some of the elderly and family units could be ready for occupancy within two years.

3. The ability of non-profit developers in San Francisco to complete up to 400 housing units within the estimated five to six-year time period. The MOU Supplement states that the City will contract with non-profit developers to build the new housing, and concerns have been raised regarding the capacity of these non-profit developers to produce a relatively large volume of new affordable housing units in five to six years. An average of approximately 73 new units per year

would have to be completed by the participating non-profit developers to complete up to 400 units of new housing within the five to six-year period. Mr. Dienstfrey advises that non-profit housing developers completed 468 new units of housing in San Francisco in one recent year (between October 1, 1992, and September 30, 1993).

4. Whether the City should expend part of its annual HUD allocation for housing of approximately \$10 million per year for the purpose of replacing housing that will be demolished due to a HUD decision. Mr. Dienstfrey states that HUD has not indicated it will increase its annual (CDBG/HOME housing allocation to the City as a result of the demolition of Geneva Towers; however, HUD states in the MOU it will provide Section 8 rental subsidies (totaling \$46.4 million for senior and family housing) for new housing projects that intend to replace Geneva Towers. These subsidies represent additional funding for affordable housing beyond the annual \$10 million funding level received by the City from HUD.

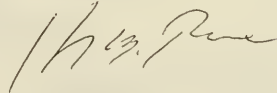
Summary

In summary, the MOU states that the City agrees to (1) construct new housing in Visitacion Valley to replace housing lost due to the proposed demolition of Geneva Towers, (2) uphold its commitment to make a \$1.5 million grant to a non-profit developer to develop 150 Britton Street, (3) guarantee preferences to Geneva Towers residents for the proposed new housing, (4) provide a variety of Police and social services to residents of the neighborhood, (5) promote the employment of Visitacion Valley residents, and (6) waive future PILOT payments due to the City from the SFHA. The total proposed cost to the City represented in these agreements is currently estimated to be \$7.5 million, including \$1.5 million for the grant for new housing on 150 Britton Street from CDBG/HOME funds, and \$6 million for police and social services from CDBG and other City sources. In addition, the waiver of future PILOT funds would represent an approximate \$600,000 annual loss to the City.

The MOU also states that HUD agrees to (1) sell the land currently occupied by Geneva Towers to the City for \$1.00, (2) provide \$19.4 million in vouchers over a five year period for the tenants who currently live in Geneva Towers, (3) provide \$535,255 in relocation assistance, and (4) consider requests from the City for \$46.6 million in project-based Section 8 rent subsidies over a 15-year period for new housing in Visitacion Valley.

Memo to Economic Vitality & Social Policy Committee
November 22, 1994 Economic Vitality & Social Policy Committee Meeting

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

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REGULAR MEETING
ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, NOVEMBER 22, 1994 - 2:00 P.M.

LEGISLATIVE CHAMBER
2ND FLOOR, CITY HALL

PRESENT: SUPERVISORS KENNEDY AND KAUFMAN

ABSENT: SUPERVISOR CONROY

CLERK: GAIL JOHNSON

1. File 13-94-29. [Geneva Towers, Memorandum of Understanding, HUD] Hearing to consider the memorandum of understanding Creating a Partnership for Communities joining the United States Department of Housing and Urban Development and the City and County of San Francisco. (Supervisors Kennedy, Alioto)

(Consideration continued from 11/10/94)

ACTION: Hearing held. Filed.

2. File 13-94-29.1. [Visitacion Valley Memorandum of Understanding] Resolution urging the Mayor to enter into a memorandum of understanding with the U.S. Department of Housing and Urban Development for the replacement of Geneva Towers and urging HUD to abide by the City's just cause eviction law and respect the rights of Geneva Towers tenants. (Supervisors Kennedy, Alioto)

(Consideration continued from 11/10/94)

ACTION: Hearing held. Recommended.

3. File 206-94-5. [Geneva Towers Tenants Relocation Plan] Hearing to consider the relocation plans for the Geneva Towers tenants. (Supervisor Kennedy)

ACTION: Hearing held. Consideration continued to the Call of the Chair.

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**BOARD OF SUPERVISORS****BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

December 9, 1994

TO: Economic Vitality & Social Policy Committee

FROM: Budget Analyst

SUBJECT: December 13, 1994 Economic Vitality & Social Policy Committee Meeting

Item 1 - File 227-94-2

Department: Public Library

Item: Hearing on the Chinatown Library Project

Description: The Chinatown Branch of the Public Library is currently undergoing extensive renovation, expansion, and seismic retrofitting. The construction, which began in April, 1994, and is being paid for by Public Library Improvement Bond funds, was originally scheduled to be completed in July of 1995. Currently, the estimated completion date is December, 1995. The Chinatown Branch collection has been temporarily relocated to 445 Grant Avenue until the construction work is complete.

The current project budget for the Chinatown Branch Library, as approved by the Board of Supervisors on April 24, 1994, was \$5,536,328, which included a cost overrun of \$962,723. The construction bid for the Chinatown Library was awarded to a joint venture partnership known as CICO-Joo. The firm of T.E. Joo Construction, Inc., one of the joint-venture partners, is an MBE firm. Since work was begun on the Chinatown Branch Library, the two firms in the partnership have disagreed on the proper amounts that should be paid to each firm. This has resulted in attempts by

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the firms to mediate their disputes through the Human Rights Commission. In addition, according to DPW, there have been delays in the project as a result of the discovery of foundation problems under the original Chinatown Branch Library building.

Comment:

1. Ms. Mary Gin Starkweather, Contract Compliance Officer for the Human Rights Commission, states that her office has attempted to mediate the dispute between CICO and T.E. Joo, but that the two parties have been unable to come to an agreement despite the mediation efforts. Ms. Starkweather states that under the joint venture agreement, CICO was assigned the responsibility to receive payments from the City and disburse funds to T.E. Joo. Ms. Starkweather states that T.E. Joo has claimed that approximately \$11,000 is owed to T.E. Joo by CICO for work completed at the Chinatown Branch Library. In addition, according to Ms. Starkweather, T.E. Joo has encountered financial difficulties and the firm lost its State construction license due to its outstanding debts in July, 1994. As a result, Ms. Starkweather states that CICO petitioned for and was given permission by the California State Licensing Board to solely operate the joint venture. Ms. Starkweather states that T.E. Joo had its license reinstated in November of 1994, but states that she does not know whether T.E. Joo has petitioned to re-enter the joint venture.

2. Mr. Joe Cheung, DPW Construction Manager for the Chinatown Branch Library project, advises that the dispute between T.E. Joo and CICO has not yet caused the project to be further delayed. However, Mr. Cheung states that the estimated completion date for the project is now December of 1995, instead of July, 1995, as a result of redesigning that had to be completed following the discovery in May of 1994 of a weak foundation under the old Chinatown Library building.

3. Additionally, Mr. Cheung states that during the months of June and July of 1994, construction work slowed considerably while DPW and the Bureau of Architecture prepared revised plans to strengthen the old foundation. As a result, the cash flow to the CICO-Joo joint venture was less than the two firms were anticipating. Mr. Cheung states that DPW has not yet prepared an estimate on any potential additional costs to improve the foundation at the Chinatown Library.

Item 2 - File 109-94-1

Item: Hearing to consider the 1992 reorganization of the Residential Rent Stabilization and Arbitration Board and its progress to date and whether the public is best served by using contract hearing officers.

Description: The Residential Rent Stabilization and Arbitration Board (Rent Board) hears disputes between landlords and tenants over issues such as rental rates, rent increases, rental deposits, refunds, and changes in the services included under rental agreements. Rent Board Hearing Officers are attorneys, and are charged with fairly enforcing the City's Rent Ordinance in the settlement of disputes.

In 1990, the Rent Board converted from using contract Hearing Officers to using six part time Civil Service staff Hearing Officers, with a total of 4 FTE positions. Mr. Joe Grubb, Executive Director of the Rent Board, reports that as a result of having these positions in-house, the Rent Board has been able to assume direct responsibility for their training, supervision, and scheduling. As a result, the Rent Board has achieved higher quality and more consistency in the decisions made by Hearing Officers, fewer decisions that are remanded, and more timely scheduling of hearings and resolution of cases, according to Mr. Grubb. Fewer decisions therefore need to be heard by the Rent Commission or remanded back to the Rent Board, and the Commission is able to meet less frequently.

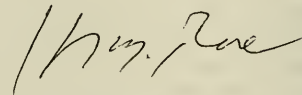
In 1992, the Rent Board eliminated a Rent Board Supervisor position, and created the position of Senior Hearing Officer, with the requirement that this position be filled by an attorney. At the same time, the Rent Board eliminated the requirement that the Deputy Director of the Rent Board be an attorney. Under these changed job descriptions, the Deputy Director position is an administrative position, and the Senior Hearing Officer supervises the other Hearing Officers, and writes opinions on cases that are appealed.

Mr. Grubb advises that because of improvements in the quality and timeliness of work that the Rent Board has achieved in using Civil Service staff Hearing Officers, the Rent Board would oppose a return to using contract Hearing Officers. The salary level at the top step for Hearing Officers is \$57,300 annually plus benefits of approximately 25 percent, or \$14,325, for a total of \$71,625 annually. Mr. Grubb reports that if the Rent Board were to contract for attorneys to do this

Memo to Economic Vitality and Social Policy Committee
December 13, 1994 Economic Vitality and Social Policy Committee Meeting

work, the cost would be approximately \$700 per day, based on the rate paid by the Human Resources Department for similar Hearing Officers. In comparison, the daily cost of Rent Board Hearing Officer salaries is approximately \$287, based on the Hearing Officer's annual salary and fringes, divided by an average of 249 working days per year.

The Rent Board budget is provided through a \$10 fee paid annually by landlords on each residential rental unit. In addition, a fee of \$5 per unit is paid by hotel owners for residential hotel units. By ordinance, these fees are used entirely to pay the costs of the Rent Board. Proposition I, approved by the voters in 1994, removed an exemption to this fee that had formerly existed for buildings of four units or less that are owner-occupied.



Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

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CALENDAR

REGULAR MEETING
ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, DECEMBER 13, 1994 - 2:00 P.M.

LEGISLATIVE CHAMBER
2ND FLOOR, CITY HALL

PRESENT: SUPERVISORS KENNEDY AND KAUFMAN

ABSENT: SUPERVISOR CONROY

CLERK: GAIL JOHNSON

1. File 227-94-2. [Chinatown Branch Library] Hearing to consider the Chinatown Branch Library Project. (Supervisor Kennedy)

ACTION: Hearing held. Consideration continued to the Call of the Chair.

2. File 109-94-1. [Residential Rent Stabilization/Arbitration Board] Hearing to consider the 1992 reorganization of the Residential Rent Stabilization and Arbitration Board and its progress to date and how the public is best served by using contract hearing officers. (Supervisor Kennedy)

ACTION: Hearing held. Filed.

3. File 107-94-5. [Child Care Program] Hearing to determine if the City and County of San Francisco is meeting the child care needs of low-income families and welfare recipients; what is the present status of the child care situation and are our programs working. (Supervisors Kennedy, Alioto)

ACTION: Hearing held. Filed.

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Attn: Jane Hudson

CITY AND COUNTY



OF SAN FRANCISCO

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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

December 15, 1994

TO: Joint Economic Vitality & Social Policy Committee and Budget Committee
FROM: Budget Analyst
SUBJECT: December 20, 1994 Joint Economic Vitality & Social Policy and Budget Committee Meeting

Item 1 - File 13-94-29.1

Note: This item was rereferred from the Board of Supervisors meeting of December 5, 1994.

Department: Mayor's Office of Housing

Item: Resolution urging the Mayor to enter into a Memorandum of Understanding with the U.S. Department of Housing and Urban Development (HUD) for the replacement of Geneva Towers and urging HUD to abide by the City's just cause eviction law and respect the rights of Geneva Towers tenants.

Description: The draft Memorandum of Understanding (MOU) between the Mayor's Office and the U.S. Department of Housing and Urban Development (HUD) contains broad policy statements intended to encourage HUD and the City to coordinate its efforts to improve the housing and economic conditions of the Visitacion Valley neighborhood, located in the south-eastern section of San Francisco. According to Mr. Ted Dienstfrey, Director of the Mayor's Office of Housing, the MOU is not a legally-binding document; rather, its purpose is to set the general policy direction for both the City and HUD.

The MOU was drafted by the HUD San Francisco Regional Office as HUD was deciding on the disposition of Geneva

Towers. HUD then made a recommendation¹ to demolish Geneva Towers, a set of two 20-story high rise apartments containing a total of 576 units, 282 of which are currently occupied by low-income tenants and their families. HUD has owned the building since 1991, when it foreclosed on the property due to reported mismanagement by the previous owner. HUD drafted the MOU in order to make an offer to sell the land now occupied by Geneva Towers to the City for \$1.00 and provide \$46.6 million in Section 8 rental subsidies for newly-constructed housing in Visitacion Valley. In exchange for the land and the Section 8 subsidies, HUD has asked the City to agree to build new affordable housing in Visitacion Valley, assuming the demolition of Geneva Towers goes forward. Further, the MOU states that the City agrees to use its "best efforts" to see that a variety of job training and other social services needed in Visitacion Valley are provided in order to revitalize the neighborhood.

According to HUD's Property Disposition Report, Geneva Towers has "major structural inadequacies" and the cost to remedy these inadequacies and continue to operate the buildings would greatly exceed the threshold cost limits set in HUD regulations.² The HUD report also states that high-rise structures have been proved to be unworkable as housing for low-income families, and that in cases where the San Francisco Housing Authority has replaced high-rise housing with low-rise housing, the quality of life of the residents and the surrounding neighborhood has improved dramatically.

The MOU states as a primary objective the development of new low-rise affordable housing "consistent with the character of the neighborhood," and that the Mayor's Office of Housing will take the lead in the development of the new housing. In addition, the MOU states that the City and HUD will develop programs in education, social services, economic development, and the establishment of long-term physical improvements to stabilize the Visitacion Valley neighborhood.³ The MOU states that the City agrees to

¹ The recommendation was made by HUD's Regional Office of Housing on July 13, 1994, and the public comment period extended from September 8 to October 11, 1994.

² HUD regulations state that if the cost of rehabilitation of a property, including debt service and operating expenses, exceed 144% of rents that would accrue to the property (under Section 8 fair-market rents), the rehabilitation work should not proceed and the rental units should not be preserved.

³ The MOU also states that HUD will continue its financial support of the rehabilitation of the Sunnysdale public housing project, located in Visitacion Valley, in cooperation with the San Francisco Housing Authority. The project will have 767 units once the rehabilitation is complete.

provide \$6 million in Community Development Block Grant (CDBG) program funds "and/or other City funds" over a five-year period to fund these neighborhood services and improvements, but does not specify the source of other City funds. As of the writing of this report, no budget details for the proposed \$6 million to be provided by the City are available.

The Supplement to the MOU outlines in greater detail the agreements made by both HUD and the City. According to the Supplement, HUD agrees to (1) Demolish the two Geneva Towers buildings and sell the land the buildings now occupy to the City for \$1.00; (2) Provide relocation assistance to Geneva Towers residents in their search for other housing (for an estimated cost of \$535,255); (3) Provide up to \$19.4 million in Section 8 rent vouchers to Geneva Towers residents for their use in renting other housing for a five-year period (at an average cost to HUD of \$13,425 per tenancy⁴ per year); and (4) Consider requests from the City for project-based Section 8 subsidies for 20% to 50% of the residents of newly-constructed family housing (at an estimated cost to HUD of \$32.4 million) and 100% of the residents of newly-constructed elderly housing (at an estimated cost to HUD of \$14.2 million), for a total estimated cost to HUD of \$46.6 million. These Section 8 project subsidies have been calculated to fund rent payments for 150 family units and 100 senior units over a 15-year period.

According to Mr. Keith Axtell, Regional Director of Housing for HUD, it is HUD's intention to encourage a greater mix of tenant incomes (ranging from 80% of median income to 15% of median income) in the replacement housing than currently exists at Geneva Towers, which currently contains only very-low income tenants (earning about 17% of median area income).

The MOU Supplement states that the City agrees to (1) Follow through on its commitment to make a \$1.5 million conditional grant⁵ from the City's housing funds, received from HUD under the HOME and CDBG programs, to a non-profit housing developer to purchase a site at 150 Britton

⁴ In addition to the 282 units currently occupied at Geneva Towers, 7 units have been recently vacated by tenants or families who have received Section 8 vouchers, for a total of 289 tenants or families who have received or are qualified to receive the vouchers for five years.

⁵ The conditional grant is extended to the non-profit developer as a 50-year loan, to be forgiven at the end of the 50 years. The grant is conditional on the continued provision of below-market rate housing by the developer.

Street⁶ (located across the street from the current Geneva Towers site); (2) Assist non-profit housing corporations to obtain properties in Visitacion Valley for 50 to 100 units of elderly housing and to construct 300 units of family housing in Visitacion Valley;⁷ (3) Guarantee preferences for Geneva Towers residents for newly-constructed housing referenced in the MOU; (4) Improve police services in Visitacion Valley, including the initiation of "community policing," and (5) provide medical services, day care facilities, employment training and career counseling, and other social services in Visitacion Valley. In addition, the MOU states that the City agrees to waive future Housing Authority Payments in Lieu of Taxes (PILOT). The MOU states that agreeing to not collect these payments in the future will ensure the financial integrity of the SFHA and enable the SFHA to fulfill its obligations to provide services for the Sunnysdale public housing complex. According to John Shanley, Special Assistant to the Executive Director of the SFHA, approximately \$600,000 is assessed by the City under PILOT per year.

The MOU Supplement also references HUD and City plans to initiate economic revitalization of Visitacion Valley, including a proposal to train and provide employment to current neighborhood residents, and to provide contracting opportunities to local businesses, in connection with the HUD-assisted developments in Visitacion Valley. HUD specifically agrees to ensure that bid documents for HUD-assisted construction contain plans to hire 30% of the construction work-force from a pool of applicants who are residents of Visitacion Valley. As previously noted, the City agrees to provide \$6 million in CDBG and other City funds, from sources as yet to be determined, to finance the economic development and social services activities referenced in the MOU.

The proposed resolution also provides that the Board of Supervisors urges HUD to abide by the City's just cause eviction law and respect the rights of Geneva Towers tenants. According to Ms. Sandy Gartzman, Senior Hearing Officer of

⁶ The Mayor's Office of Housing made a predevelopment loan in February of 1994 of \$75,000 to the Housing Conservation Development Corporation, a non-profit housing developer which has proposed to build affordable family housing on the site, and has set aside \$1.5 million in CDBG funds for the purchase of the land, which covers approximately two acres.

⁷ The Mayor's Office of Housing plans to develop the affordable family housing on the Britton Street site and on the site currently occupied by Geneva Towers. The sites for elderly housing have not yet been identified.

the San Francisco Rent Board, this law provides for a 30-day notice to vacate for tenants who live in a building set to be demolished.

Comments:

1. Mr. Dienstfrey advises that the issues which should be considered regarding disposition of Geneva Towers are:

(1). The impact of the demolition of Geneva Towers on the current residents. Some residents may encounter serious relocation problems because the removal of 282 currently-occupied units from the market will result in a large number of low-income tenants who will be in the market for affordable housing. In addition, according to Mr. Dienstfrey, current Geneva Towers residents may encounter resistance from private landlords unwilling to rent to tenants with Section 8 certificates.

(2). The cost to the City of building the replacement housing. Although the City's role in funding the new housing is not addressed in the MOU, Mr. Dienstfrey states that the total cost to the City to build up to 100 units of senior housing would be \$4 million and the cost to build 300 units of family housing is estimated to be \$11.5 million, for a total of \$15.5 million in City funds to be expended over a five to six-year period. According to Mr. Dienstfrey, the City would fund the proposed new housing using CDBG/HOME and Hotel Tax revenues (which are dedicated to senior housing). The City currently receives approximately \$10 million annually in CDBG and HOME funds for housing, and approximately \$3.5 million annually for senior housing from Hotel Tax revenues. Once the projects are completed and occupied, they would be eligible for the \$46.6 million in rent subsidies agreed to by HUD under the MOU. Mr. Dienstfrey states that some of the elderly and family units could be ready for occupancy within two years.

(3). The ability of non-profit developers in San Francisco to complete up to 400 housing units within the estimated five to six-year time period. The MOU Supplement states that the City will contract with non-profit developers to build the new housing, and concerns have been raised regarding the capacity of these non-profit developers to produce a relatively large volume of new affordable housing units in five to six years. An average of approximately 73 new units per year would have to be completed by the participating non-profit developers to complete up to 400 units of new housing within the five to

six-year period. Mr. Dienstfrey advises that non-profit housing developers completed 468 new units of housing in San Francisco in one recent year (between October 1, 1992, and September 30, 1993).

(4). Whether the City should expend part of its annual HUD allocation for housing of approximately \$10 million per year for the purpose of replacing housing that will be demolished due to a HUD decision. Mr. Dienstfrey states that HUD has not indicated it will increase its annual (CDBG/HOME housing allocation to the City as a result of the demolition of Geneva Towers; however, HUD states in the MOU it will provide Section 8 rental subsidies (totaling \$46.4 million for senior and family housing) for new housing projects that intend to replace Geneva Towers. These subsidies represent additional funding for affordable housing beyond the annual \$10 million funding level received by the City from HUD.

2. Mr. Dienstfrey advises that HUD has formally notified the tenants of Geneva Towers that it is HUD's intention to demolish the Geneva Towers building and that the tenants will be required to move from Geneva Towers in the near future. Mr. Dienstfrey adds that HUD is in the process of hiring a relocation consultant to assist the tenants in relocating.

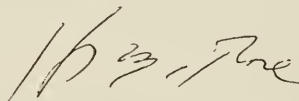
Summary

In summary, the MOU states that the City agrees to (1) construct new housing in Visitacion Valley to replace housing lost due to the proposed demolition of Geneva Towers, (2) uphold its commitment to make a \$1.5 million grant to a non-profit developer to develop 150 Britton Street, (3) guarantee preferences to Geneva Towers residents for the proposed new housing, (4) provide a variety of Police and social services to residents of the neighborhood, (5) promote the employment of Visitacion Valley residents, and (6) waive future PILOT payments due to the City from the SFHA. The total proposed cost to the City represented in these agreements is currently estimated to be \$7.5 million, including \$1.5 million for the grant for new housing on 150 Britton Street from CDBG/HOME funds, and \$6 million for police and social services from CDBG and other City sources. In addition, the waiver of future PILOT funds would represent an approximate \$600,000 annual loss to the City.

Memo to Joint Economic Vitality & Social Policy and Budget Committee
December 20, 1994 Joint Economic Vitality & Social Policy and Budget Committee
Meeting

The MOU also states that HUD agrees to (1) sell the land currently occupied by Geneva Towers to the City for \$1.00, (2) provide \$19.4 million in vouchers over a five year period for the tenants who currently live in Geneva Towers, (3) provide \$535,255 in relocation assistance, and (4) consider requests from the City for \$46.6 million in project-based Section 8 rent subsidies over a 15-year period for new housing in Visitation Valley.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Hsieh
Supervisor Kaufman
President Alioto
Supervisor Conroy
Supervisor Bierman
Supervisor Hallinan
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

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CALENDAR

MEETING OF
JOINT ECONOMIC VITALITY & SOCIAL POLICY/BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, DECEMBER 20, 1994 - 10:00 A.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS KENNEDY, HSIEH
KAUFMAN, BIERMAN

ABSENT: SUPERVISORS CONROY AND ALIOTO (FOR VOTE)

CLERK: GAIL JOHNSON

1. File 13-94-29.1. [Visitacion Valley Memorandum of Understanding] Resolution urging the Mayor to enter into a memorandum of understanding with the U.S. Department of Housing and Urban Development for the replacement of Geneva Towers and urging HUD to abide by the City's just cause eviction law and respect the rights of Geneva Towers tenants. (Supervisors Kennedy, Alioto)

ACTION: Hearing held. Recommended. (Memorandum of Understanding amended. See file for details.)

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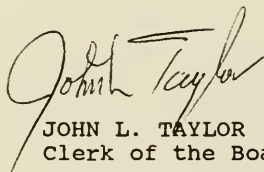


City Hall
San Francisco 94102
554-5184

NOTICE OF CANCELED MEETING

ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Economic Vitality and Social Policy Committee for Tuesday, December 27, 1994, at 2:00 p.m., has been canceled.


JOHN L. TAYLOR
Clerk of the Board

POSTED: DECEMBER 21, 1994

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